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AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY, THE FINAL PROTOCOL TO THE AGREEMENT, AND THE ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT, PURSUANT TO 42 U.S.C. 433(e)(1)

JUNE 16, 1983.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

11-011 O WASHINGTON: 1983

To the Congress of the United States:

Pursuant to section 233(e)(1) of the Social Security Act as amended by the Social Security Amendments of 1977 (P.L. 95–216, 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the Kingdom of Norway on Social Security, the Final Protocol to the Agreement, and the Administrative Agreement for the Implementation of the Agreement, all signed on January 13, 1983.

These United States-Norway agreements are similar in objective to the social security agreements already in force with Italy, the Federal Republic of Germany, and Switzerland. Such bilateral agreements, which are generally known as totalization agreements, provide for limited coordination between the United States and foreign social security systems to overcome the problems of gaps in protection and of dual coverage and taxation for workers who move from one country to the other.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health and Human Services, which explains the provisions of the Agreements and provides data on the number of persons affected by the Agreements and the effect on social security financing as required by the same provision of the Social Security Act.

The Department of State and the Department of Health and Human Services join with me in commending the United States-Norway Social Security Agreement and related documents.

RONALD REAGAN.

THE WHITE HOUSE, *June 16, 1983.*

AGREEMENT

BETWEEN THE UNITED STATES OF AMERICA

AND THE KINGDOM OF NORWAY

ON SOCIAL SECURITY

The Government of the United States of America and the Government of the Kingdom of Norway,

BEING DESIROUS of regulating the relationship between their two countries in the field of Social Security, have agreed as follows:

PART I

DEFINITIONS AND LAWS

Article 1

For the purpose of this Agreement:

1. "Territory" means, as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa, and as regards Norway, the territory of the Kingdom of Norway;

2. "Norwegian Continental Shelf" means the sea bed and its subsoil of the submarine areas outside the coast of the Kingdom of Norway over which Norway has sovereign rights for the purpose of exploring it and exploiting its natural resources;

3. "National" means, as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act of 1952, as amended, and as regards Norway, a person of Norwegian nationality;

4. "Laws" means the laws and regulations specified in Article 2;

5. "Competent Authority" means, as regards the United States, the Secretary of Health and Human Services, and as regards Norway, the Ministry of Health and Social Affairs;

6. "Agency" means, as regards the United States, the Social Security Administration, and as regards Norway, the office or authority responsible for applying all or part of the laws designated in Article 2;

7. "Period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;

8. "Benefit" means any benefit provided for in the laws of either Contracting State;

9. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;

10. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967.

Article 2

1. For the purpose of this Agreement, the applicable laws are:

a. As regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

(i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A and 228 of that title and regulations pertaining to those sections,

(ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of 1954 and regulations pertaining to those chapters;

b. As regards Norway:

(i) the National Insurance Act of June 17, 1966, except chapters 2, 3, 4, 11 and 12, unless otherwise provided in the Final Protocol;

(ii) the Act of June 19, 1969, on special supplements to benefits from the National Insurance Scheme;

(iii) the Act of December 19, 1969, on compensation supplements to benefits from the National Insurance Scheme.

2. Unless otherwise provided in the Agreement, laws within the meaning of paragraph 1 shall not include treaties or other international agreements concluded between one Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

PART II

GENERAL PROVISIONS

Article 3

This Agreement, unless it provides otherwise, shall apply to:

(a) nationals of either Contracting State,

(b) refugees,

(c) stateless persons,

(d) other persons with respect to the rights they derive from a national of either Contracting State, a refugee or a stateless person, and

(e) nationals of a State other than a Contracting State who are not included among the persons referred to in paragraph (d) of this Article, and who are or have been subject to the laws of a Contracting State.

Article 4

1. Unless otherwise provided in this Agreement, the persons designated in Article 3(a), (b), (c) or (d) who reside in the territory of either Contracting State shall, in the application of the laws of a Contracting State, receive equal treatment with the nationals of that Contracting State.

2. Nationals of a Contracting State who reside outside the territories of both Contracting States shall receive benefits provided by the laws of the other Contracting State under the same conditions which the other Contracting State applies to its own nationals who reside outside the territories of both Contracting States.

3. Unless otherwise provided in this Agreement, the laws of a Contracting State under which entitlement to or payment of cash benefits is dependent on residence or presence in the territory of that Contracting State shall not be applicable to the persons designated in Article 3 who reside in the territory of the other Contracting State.

PART III

PROVISIONS ON COVERAGE

Article 5

1. Unless otherwise provided in this Article, a person employed within the territory of one of the Contracting States shall with respect to that employment be subject to the laws on compulsory coverage of only that Contracting State.

2. If a person in the service of an employer having a place of business in the territory of one Contracting State is sent by that employer to the territory of the other Contracting State for a temporary period, the person shall be subject to the laws on compulsory coverage of only the first Contracting State as if he were still employed in the territory of the first Contracting State, provided that his employment in the territory of the other Contracting State is not expected to last for more than 5 years. The preceding sentence shall apply regardless of whether the remuneration for such service is paid by the employer in the first Contracting State. The spouse and children who accompany a person sent by an employer located in the territory of one Contracting State to the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State for any period in which they are not employed in the other Contracting State.

3. (a) The provisions of paragraph 1 shall also apply in cases where a person is resident in Norway and employed on installations for the exploration and exploitation of natural resources on the Norwegian continental shelf.

(b) The provisions of paragraph 2 shall also apply in cases where a person is employed on installations for the exploration and exploitation of natural deposits on the Norwegian continental shelf as if he were employed in the territory of Norway.

4. A person who is self-employed in the territory of either Contracting State and who is a resident of one Contracting State shall be subject to the laws on compulsory coverage of only the Contracting State of which he is a resident.

5. (a) Part III of this Agreement shall not apply to the categories of persons mentioned in the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

(b) Nationals of one of the Contracting States who are not mentioned in the provisions of the Vienna Conventions referred to in subparagraph (a) and who are employed by that Contracting State in the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State.

6. If a person is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and is subject to the laws on compulsory coverage of both Contracting States, the person shall be subject to the laws on compulsory coverage of only the Contracting State whose flag the vessel flies.

7. The Competent Authority of one Contracting State may grant an exception to the provisions of this Article if the Competent Authority of the other Contracting State agrees, provided that the affected person shall be subject to the laws of one of the Contracting States.

PART IV

PROVISIONS ON BENEFITS

Chapter I--Provisions Applicable to the United States

Article 6

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, pension point years completed under Norwegian laws shall be taken into account to the extent they do not coincide with calendar quarters already credited as quarters of coverage under United States laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit four quarters of coverage for each pension point year certified as creditable by the agency of Norway; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

3. Where entitlement to a benefit under United States laws is established according to the provisions of paragraph 1, a pro rata primary insurance amount shall be computed based on the ratio of the total periods of coverage completed under United States laws to the total periods of coverage completed under the laws of the two Contracting States. Benefits payable under United States laws on the basis of an earnings record where a pro rata primary insurance amount has been computed shall be paid on the basis of that pro rata primary insurance amount.

4. For any calendar quarter credited with a quarter of coverage based on Norwegian periods of coverage according to paragraph 1, the agency of the United States shall take into account for purposes of computing a pro rata primary insurance amount the amount of any earnings credited to the person for that period under Norwegian laws, subject to the maximum annual creditable earnings limitation under United States laws.

5. Entitlement to a benefit from the United States which results from paragraph 1 shall terminate with the acquisition of sufficient periods of coverage under United States laws to establish entitlement to an equal or higher benefit without the need to invoke the provision of paragraph 1.

6. Where entitlement to a benefit under United States laws is established according to the provisions of Article 6.1 of the Agreement, the requirements of Article 6.3 and 6.4 shall be considered to be met if the agency of the United States computes the pro rata primary insurance amount in accordance with United States laws based on (a) the person's average earnings credited exclusively under United States laws and (b) the ratio of the duration of the person's periods of coverage credited under United States laws to the duration of a coverage lifetime as determined in accordance with United States laws.

Chapter II--Provisions Applicable to Norway

Article 7

1. (a) Where a person has completed at least one year of coverage under Norwegian laws, quarters of coverage completed under United States laws shall be taken into account to determine entitlement to disability, survivors and old-age pensions provided they do not coincide with periods of coverage already credited under Norwegian laws. To become entitled to a Norwegian supplementary pension based on the preceding sentence, pension points must have been credited for at least one year.

(b) Four quarters of coverage completed under United States laws shall correspond to one year of coverage under Norwegian laws.

2. (a) The basic disability or survivors pension of a person present in one of the Contracting States shall be computed on the basis of actual periods of coverage completed under Norwegian laws and on future periods of coverage based on the ratio of the actual periods of coverage to the full Norwegian insurance period of 40 years, provided that the resulting benefit amount is higher than a pension computed exclusively under Norwegian laws.

(b) The supplementary disability or survivors pension of a person present in one of the Contracting States shall be computed on the basis of actual pension point years credited under Norwegian laws and on future pension point years based on the ratio of the actual pension point years credited to the full Norwegian pension point earnings period of 40 years, provided that the resulting benefit amount is higher than a pension computed exclusively under Norwegian laws.

(c) Where a disability or survivors pension computed exclusively under Norwegian laws without recourse to this Agreement is higher than the total benefits payable by the agencies of both Contracting States in accordance with the provisions of this Agreement, the agency of Norway shall pay the benefit amount computed in accordance with the provisions of this Agreement increased by an amount which is equal to the difference between the amount payable by the agency of Norway without recourse to this Agreement and the total benefits payable by the agencies of both Contracting States in accordance with this Agreement.

3. An old-age pension shall be computed on the basis of periods of coverage fulfilled and pension point years credited under Norwegian laws.

4. A disability or survivors pension granted according to Norwegian laws shall be converted to an old-age pension when the person reaches the general pension age. The old-age pension shall be computed on the basis of periods of coverage and pension point years used to compute the disability or survivors pension.

5. Supplementary pensions payable to United States nationals shall be computed in accordance with the overcompensation provisions of Section 7-3 of the National Insurance Act in accordance with the regulations laid down pursuant to the third paragraph of that section. Pension increments due to overcompensation shall be paid to United States nationals also when they are resident in the territory of the United States.

6. A compensation supplement shall only be payable to persons resident in the territory of Norway. Payment of rehabilitation benefits, basic benefits, attendance benefits and child care benefits to persons not resident or present in the territory of Norway shall be determined in each case pursuant to Norwegian laws.

PART V

MISCELLANEOUS PROVISIONS

Article 8

The Competent Authorities of the two Contracting States shall:

(a) Conclude an administrative agreement and make such other administrative arrangements as may be necessary for the implementation and application of this Agreement;

(b) Communicate to each other information concerning the measures taken for the application of this Agreement; and

(c) Communicate to each other, as soon as possible, information concerning all changes in their respective laws which may affect the application of this Agreement.

Article 9

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authority, shall assist each other in implementing this Agreement. This assistance shall be free of charge subject to exceptions to be agreed upon in an administrative agreement.

2. Liaison agencies for the implementation of this Agreement shall be:

(a) for the United States, the Social Security Administration;

(b) for Norway, the National Insurance Institution.

Article 10

Where the laws of a Contracting State provide that any document which is submitted to the Competent Authority or an agency of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to documents which are submitted to the Competent Authority or an agency of the other Contracting State in accordance with its laws.

Article 11

1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the administration of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected because it is in the official language of the other Contracting State.

Article 12

1. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State or provides information indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.

2. Notwithstanding paragraph 1, an applicant may specify that an application filed with an agency of one Contracting State not be considered an application under the laws of the other Contracting State or that the application be effective on a different date in the other Contracting State within the limitations of and in conformity with the laws of the other Contracting State.

3. The provisions of Part IV of this Agreement shall apply only to an application for benefits which is filed on or after the date this Agreement enters into force.

Article 13

1. A written appeal of a determination made by the agency of one Contracting State may be validly filed with an agency of the other Contracting State.

2. Any claim, notice, or appeal which must be filed within a given period of time with the agency of one Contracting State shall be considered to have been timely filed if the claim, notice, or appeal has been filed within such period with the agency of the other Contracting State. In such case, the agency with which the claim, notice, or appeal has been filed shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.

Article 14

In case provisions designed to restrict the exchange of currencies are issued in either Contracting State, the Governments of both Contracting States shall immediately confer on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.

Article 15

1. Disagreements between the two Contracting States regarding the interpretation or implementation of this Agreement shall, as far as possible, be settled by the Competent Authorities.

2. If a disagreement cannot be resolved by the Competent Authorities of the Contracting States, it shall at the request of either Contracting State be submitted for arbitration in accordance with procedures to be agreed upon by the Competent Authorities.

PART VI

TRANSITIONAL AND FINAL PROVISIONS

Article 16

1. This Agreement shall also apply to events relevant to rights under the laws which occurred prior to its entry into force.

2. This Agreement shall not establish any claim to payment of a benefit for any period before its entry into force or a lump-sum death benefit if the person died before its entry into force.

3. Consideration shall be given to periods of coverage under the laws of either Contracting State occurring before the entry into force of this Agreement, in order to determine the right to benefits under this Agreement.

4. Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

5. This Agreement shall not result in the reduction of cash benefit amounts because of its entry into force.

Article 17

The attached Final Protocol shall form an integral part of this Agreement.

Article 18

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its denunciation is given by one of the Contracting States to the other Contracting State.

2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Contracting States shall make arrangements dealing with rights in the process of being acquired.

Article 19

This Agreement shall enter into force on the first day of the second month following the month in which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Agreement.

IN WITNESS whereof, the undersigned, being duly authorized thereto, have signed the present Agreement.

DONE at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

For the Government of
the United States of America:

Richard L. Schweiker

For the Government of
the Kingdom of Norway:

Kirsti Kolle Grøndahl

FINAL PROTOCOL FOR THE IMPLEMENTATION OF THE AGREEMENT ON SOCIAL SECURITY between the UNITED STATES OF AMERICA and the KINGDOM OF NORWAY

At the time of signing the Agreement between the United States of America and the Kingdom of Norway on Social Security, the undersigned stated that they are in agreement on the following points:

1. The Agreement shall not result in coverage under United States laws if those laws do not provide for the collection of contributions with respect to such coverage. Article 5.1 of the Agreement shall apply when Article 5.2 is not applicable as a result of the preceding sentence.

2. Article 5.2 shall apply in cases where a person is employed in the territory of a third State, but compulsorily covered under the laws of one of the Contracting States, and is then sent by his employer to the territory of the other Contracting State.

3. With respect to Article 5.2, a person who is sent by an employer having a place of business in the territory of Norway to the territory of the United States shall be subject to Norwegian laws, including those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1.b.(i).

4. With respect to Article 5.2, a person who is sent by an employer having a place of business in the territory of the United States to the territory of Norway and who is subject to United States laws shall also be subject to Norwegian laws with respect to those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1.b.(i).

5. Article 5.2 shall apply in cases where a national of a State other than a Contracting State is sent by an employer in the territory of one Contracting State to the territory of the other Contracting State, provided that its application does not conflict with any provision of another treaty or international agreement between a Contracting State and a third State.

6. A United States national not resident in Norway, employed on an installation for the exploration and exploitation of natural resources on the Norwegian continental shelf, to whom the provisions of Article 5.2 do not apply, and who is subject to United States laws with respect to that employment shall be exempt from Norwegian laws as defined in Article 2.1.b.(i) and remain subject to United States laws.

7. After the entry into force of this Agreement, the provisions of the second paragraph of Section 1-3 of the Norwegian National Insurance Act concerning exemptions from the National Insurance Scheme shall no longer be applied to persons to whom this Agreement is applicable.

8. With respect to Article 5.6, a vessel which flies the flag of the United States is one defined as an American vessel under the laws of the United States.

9. This Agreement does not affect the right of Norwegian nationals who are resident or present in the United States to apply for voluntary insurance under the National Insurance Scheme of Norway.

10. Provisions of Norwegian laws limiting retroactivity of the right to benefits shall not apply to rights arising under Article 7, provided that the claimant submits an application for benefits within one year after the date of entry into force of this Agreement.

11. Funeral grants under Norwegian laws shall be payable in respect of persons who were subject to Norwegian laws at the time of their death.

12. Nothing in this Agreement shall supersede the exchange of notes between the Norwegian Foreign Ministry and the Ambassador of the United States of America in Oslo on June 26, 1968, concerning old-age, survivors and disability benefits.

13. Article 4 of the Agreement shall be applied by the United States in a manner consistent with Section 233(c)(4) of the United States Social Security Act.

DONE at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

For the Government of
the United States of America:

Robert S. Ellsworth

For the Government of
the Kingdom of Norway:

Knut Mdumann

ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT ON SOCIAL SECURITY

between the

UNITED STATES OF AMERICA

and the

KINGDOM OF NORWAY

IN CONFORMITY with Article 8(a) of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, hereinafter referred to as "the Agreement," the following provisions have been agreed upon:

CHAPTER 1

GENERAL PROVISIONS

Article 1

Terms used in this Administrative Agreement shall have the same meaning as in the Agreement.

Article 2

The liaison agencies designated in Article 9.2 of the Agreement shall agree upon joint procedures and forms necessary for the implementation of the Agreement and this Administrative Agreement.

CHAPTER 2

PROVISIONS ON COVERAGE

Article 3

1. Where the laws of a Contracting State are applicable in accordance with Article 5 of the Agreement, the agency of that Contracting State shall issue upon request of the employer, employee or self-employed person a certificate stating that the concerned employee or self-employed person is covered by those laws. The certificate shall be proof that the employee or self-employed person is exempt from the laws on compulsory coverage of the other Contracting State.

2. The certificate referred to in paragraph 1 shall be issued

-- In the United States:

By the Social Security Administration

-- In Norway:

By the local National Insurance Office where the person resides in the cases mentioned in Article 5.1 and 5.4, and by the National Insurance Office for Social Insurance Abroad in the cases mentioned in Article 5.2, 5.3, 5.5 and 5.6.

CHAPTER 3

PROVISIONS ON BENEFITS

Article 4

1. The agency of the Contracting State with which an application for benefits is first filed in accordance with Article 12 of the Ageeement shall inform the agency of the other Contracting State of this fact without delay, using forms established for this purpose. It shall also transmit documents and such other available information as may be necessary for the agency of the other Contracting State to establish the right of the applicant to benefits according to the provisions of Part IV of the Agreement. In the case of an application for disability benefits it shall, in particular, transmit all relevant medical evidence in its possession concerning the disability of the applicant.

2. The agency of a Contracting State which receives an application filed with an agency of the other Contracting State shall without delay provide the agency of the other Contracting State with such evidence and other available information as may be required to complete action on the claim.

3. The agency of the Contracting State with which an application for benefits has been filed shall verify the accuracy of the information pertaining to the applicant and his family members. The types of information to be verified shall be agreed upon by the agencies.

Article 5

In the application of Article 6 of the Agreement, the Norwegian liaison agency shall notify the United States liaison agency of the years in which a person is credited with pension points under Norwegian laws and, if necessary, the person's creditable earnings in any such year.

Article 6

In the application of Article 7 of the Agreement, the United States liaison agency shall notify the Norwegian liaison agency of the periods of coverage completed under United States laws.

CHAPTER 4

MISCELLANEOUS PROVISIONS

Article 7

In accordance with measures to be agreed upon pursuant to Article 2 of this Administrative Agreement, the agency of one Contracting State shall, upon request of the agency of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement or the laws specified in Article 2.1 of the Agreement.

Article 8

Copies of documents which are certified as true and exact copies by the agency of one Contracting State shall be accepted as true and exact copies by the agency of the other Contracting State, without further certification. The agency of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Article 9

The liaison agencies of the two Contracting States shall exchange statistics on the payments made to beneficiaries under the Agreement for each calendar year in a form to be agreed upon. The data shall include the number of beneficiaries and the total amount of benefits, by type of benefit.

Article 10

1. Where administrative assistance is requested under Article 9 of the Agreement, expenses other than regular personnel and operating costs of the Competent Authorities and agencies providing the assistance shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

2. Where the agency of a Contracting State requires that a claimant or beneficiary submit to a medical examination, such examination, if requested by that agency, shall be arranged by the agency of the other Contracting State in which the claimant or beneficiary resides, in accordance with the rules of the agency making the arrangements and at the expense of the agency which requests the examination. The expenses incurred shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

3. Upon request, the agency of either Contracting State shall furnish without expense to the liaison agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

Article 11

The agency of a Contracting State shall pay any cash benefits due to beneficiaries under the Agreement without recourse to the liaison agency of the other Contracting State.

Article 12

Unless authorized by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

Article 13

This Administrative Agreement shall enter into force on the date of entry into force of the Agreement and shall have the same period of validity.

DONE at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, both texts being equally authentic.

For the Government of the
United States of America:

Richard A. Schmidler

For the Government of the
Kingdom of Norway:

Svein Mehmann

REPORT TO CONGRESS
TO ACCOMPANY THE SOCIAL SECURITY AGREEMENT
BETWEEN THE UNITED STATES AND NORWAY

I. INTRODUCTION

The social security agreement between the United States and Norway is intended to provide limited coordination of the old-age, survivors, and disability insurance (OASDI) programs of the two countries. The agreement is similar in content and objective to the agreements between the United States and Italy, Germany and Switzerland, which are already in force, and to the agreements with Canada and Belgium, which have been signed but not yet brought into force.

The U.S.-Norwegian agreement consists of three separate instruments, including a principal agreement, a final protocol to the agreement, and an administrative agreement. The principal agreement contains substantive bilateral provisions. The related final protocol is considered an integral part of the principal agreement and sets forth various unilateral commitments and reservations. The administrative agreement contains operating procedures for implementing the principal agreement. All three documents were signed by representatives of the U.S. and Norwegian Governments on January 13, 1983, and are now being submitted to the Congress for review in accordance with section 233(e) of the Social Security Act.

The U.S.-Norwegian agreement would eliminate dual coverage, the situation that now exists when a national of one country works in the other country and is covered under and required to pay contributions to the social security systems of both countries for the same work. In addition, the agreement would eliminate situations where workers suffer a loss of benefit rights merely because they have divided their careers between the two countries.

Accompanying this report are paragraph-by-paragraph explanations of the principal agreement and final protocol (Annex A) and the administrative agreement (Annex B). The report required by section 233(e)(1) of the Social Security Act on the effect of the agreement on income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement is also included (Annex C), as is a description of the Norwegian social security system (Annex D).

II. STATUTORY REQUIREMENTS

Section 233(c)(1) of the Social Security Act requires that international agreements concluded pursuant to that section provide for the elimination of dual coverage of the same work under the social security systems of the United States and the other country which is a party to the agreement, and for combining credits earned by a worker under the two systems for benefit eligibility purposes. In addition, the law stipulates that when eligibility for U.S. Social Security benefits is established on the basis of combined credits, the amount of the benefit payable must be based on the proportion of the worker's periods of coverage completed under title II of the Social Security Act. The U.S.-Norwegian agreement includes these required provisions.

III. COVERAGE PROVISIONS

In conformity with section 233(c)(1) of the Social Security Act, Part III of the principal agreement sets forth rules designed to eliminate dual coverage and taxation of the same work under the U.S. and Norwegian social security systems.

A. Rules Governing Employees

The rules which apply to employed persons provide that dual coverage under the laws of the United States and Norway would be eliminated generally by maintaining an employee's coverage under the system of the country where the work is performed and exempting him from compulsory coverage under the system of the other country.

Special rules would apply, however, for employees who are temporarily transferred by their employers in one country to work in the other country for a period of 5 years or less. In these cases, an employee who was covered in one country before his transfer would continue to be covered under that country's system and would be exempt from coverage in the other country. Thus, an American who is temporarily transferred by his company to Norway would only be covered under and pay contributions to the U.S. program, and he and his employer would be relieved of the additional burden of paying social security contributions to the Norwegian program.

The agreement contains special provisions which apply in the case of persons working on installations for the exploration and exploitation of natural resources on the continental shelf adjacent to Norwegian territory. Such persons will be covered only by Norway if they are Norwegian residents. However, if they have been sent from the United States by an employer in the United States to work on such installations for a period of five years or less, they will be subject only to U.S. coverage laws.

Other rules set forth in this Part would apply to persons employed by the Governments of the two countries and to persons employed in international shipping.

B. Rules Governing Self-Employed Persons

Part III also contains a rule applicable to self-employed persons. It provides that a person who resides in either the United States or Norway and who performs self-employment in either country would be covered for all of his self-employment income under the laws of his country of residence.

IV. BENEFIT PROVISIONS

Part IV of the principal agreement establishes the basic rules for determining entitlement to and the amount of U.S. and Norwegian benefits for persons who have worked in both countries. These benefit provisions are included pursuant to section 233(c)(1) of the Social Security Act.

A. Provisions Applicable to the United States

1. Totalization

Under the rules which apply to the United States, if a worker has at least 6 quarters of coverage under the U.S. Social Security program, but not enough for entitlement to a U.S. benefit, the worker's coverage credits from both countries could be combined, or totalized, to qualify for a U.S. benefit. If entitlement is established based on totalized credits, the amount of the benefit would be determined by combining earnings records from both countries to compute a theoretical U.S. benefit, which would then be prorated to establish a partial benefit based on the ratio of periods of coverage completed in the United States to the total periods completed in both countries. This computation method is identical to the method used in the three U.S. social security agreements now in force.

2. Alternative Computation Method

Experience in implementing these earlier agreements has shown that using foreign earnings information to compute U.S. benefit amounts is cumbersome for both the United States and the other country. The time required to secure foreign earnings records can exceed a year in some countries, which causes long delays in adjudicating U.S. totalization claims.

In addition, prorating benefit amounts based on the ratio of U.S. periods of coverage to total periods in both countries can result in individuals with the same date of birth and the same average earnings and coverage under the United States system receiving significantly different U.S. totalization benefit amounts depending upon the amount of covered work they had under the foreign system. Although additional foreign coverage would generally reduce the amount of U.S. totalization benefits, it might or might not result in a compensating increase in the amount of foreign benefits, depending on the computation method used by the foreign country.

To avoid the problems created by using foreign earnings and coverage data, the Social Security Administration has developed a new method of computing U.S. totalization benefits within the parameters of section 233. The existing regulations which authorize the current method would have to be revised before the new method could be implemented.

Article 6.6 of the principal agreement would permit the United States to use the alternative computation method rather than the method employed under earlier agreements. The new method would shorten processing time and expedite the payment of totalization benefits. Under this method, the United States would compute the theoretical benefit on the basis of a worker's earnings level during the period he was actually covered under U.S. laws. The theoretical benefit would be prorated to reflect the proportion of a coverage lifetime actually completed under the U.S. program. It is contemplated that a coverage lifetime will be defined in regulations as the number of the worker's benefit computation years, i.e., the years which must be used in determining a worker's average earnings under the regular U.S. national computation method.

The language of article 6.6 has been drafted to allow use of the present method applied in earlier agreements if, for some unforeseen reason, the proposed new method is not adopted or the promulgation of the regulatory revision is long delayed.

3. Converting Periods of Coverage

Part IV of the agreement also establishes procedures to be followed in converting periods of coverage under the Norwegian system into equivalent periods under the U.S. system. Periods of coverage under the U.S. Social Security program are measured in terms of calendar quarters while Norwegian periods of coverage are measured in years. Under the agreed upon procedures, the Norwegian agency would certify to the Social Security Administration the years in which a worker has contributory coverage under the Norwegian system. SSA would credit 4 quarters of coverage for every such year certified by the Norwegian agency to the extent the calendar quarters in such years do not coincide with calendar quarters of coverage credited under the U.S. system.

B. Provisions Applicable to Norway

1. Norwegian OASDI Benefits

Norway provides old-age, survivors and disability benefits through two separate programs--a basic pension program and a supplementary pension program--which together make up what is usually described as a two-tier social security system. The basic program, or first tier, is a non-work-related, noncontributory program which pays old-age, survivors and disability benefits to all residents in proportion to the number of years they have resided in Norway. The supplementary program constitutes the second tier and is a contributory, earnings-related program. It pays benefits based on the length of a worker's employment and the level of his earnings.

To be eligible for a basic pension, a person generally must have resided in Norway for at least 3 years. Similarly, a minimum of 3 years of contributions based on earnings which exceed a minimum annual amount are required in order to qualify for a supplementary pension. Years in which a person's earnings exceed the minimum annual amount are called pension point years. Any pension point year under the supplementary system is automatically considered a year of residence under the basic system even if the person did not actually reside in Norway.

In determining the amount of disability and survivors benefits under the basic and supplementary programs, persons who become disabled or die while residing in Norway generally receive credit for the years from disability onset or death up to retirement age.

2. Totalization

The agreement provides that where a person has completed at least 1 year of Norwegian coverage (i.e. a year of residence or a pension point year) but does not meet the minimum coverage requirements, Norway will combine U.S. coverage with periods of Norwegian coverage to determine if a person meets the minimum coverage requirements for basic and supplementary pensions.

Persons who become disabled or die while residing in the United States will receive credit for a portion of the years from disability onset or death up to retirement age based on the amount of actual Norwegian coverage they have completed.

C. Benefit Portability

Section 233(c)(2) of the Social Security Act permits agreements to contain provisions suspending the application of the alien nonpayment provisions of the Social Security Act (section 202(t)) for persons residing in a foreign country which is party to an agreement. Norwegian nationals located outside the United States, including those located in Norway, are already exempt from the nonpayment provisions. However, citizens of other countries who reside in Norway may not be. The agreement therefore provides an exemption from the alien nonpayment provisions for Norwegian residents, regardless of their citizenship.

Similarly, Norwegian benefits would be paid to U.S. nationals regardless of where they reside and to nationals of other countries while they reside in the United States. These provisions remove certain residence restrictions that previously applied to Norwegian basic disability and survivors benefits.

V. OTHER PROVISIONS

Section 233(c)(4) of the Social Security Act authorizes agreements to contain other provisions not inconsistent with title II of the Act which are appropriate to carry out the purposes of the agreements. In accordance with this provision, the principal and administrative agreements contain a number of articles designed to permit the United States or Norway to render free or reimbursable assistance to the other country in implementing the agreement.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

AGREEMENT

BETWEEN THE UNITED STATES OF AMERICA

AND THE KINGDOM OF NORWAY

ON SOCIAL SECURITY

The document is described as an "Agreement" with the understanding that it will enter into force for Norway as a formal treaty subject to parliamentary ratification and for the United States as an executive agreement under authority of section 233 of the Social Security Act. Upon entry into force the Agreement will have the effect of law in both countries and will be binding on both countries.

The Government of the United States of America and the Government of the Kingdom of Norway,

BEING DESIROUS of regulating the relationship between their two countries in the field of Social Security, have agreed as follows:

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART I

Definitions and Laws

Article 1

For the purpose of this Agreement:

Article 1 defines the key terms used in the Agreement.

1. "Territory" means, as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa, and as regards Norway, the territory of the Kingdom of Norway;

The definition of United States "territory" is identical to the definition of the United States in section 210(i) of the Social Security Act. Norwegian territory includes Norway, as well as Svalbard, Jan Mayen, and other Norwegian possessions.

2. "Norwegian Continental Shelf" means the sea bed and its subsoil of the submarine areas outside the coast of the Kingdom of Norway over which Norway has sovereign rights for the purpose of exploring it and exploiting its natural resources;

Various U.S. companies are involved in energy exploration and related activities on the Norwegian Continental Shelf. These companies, along with their employees, are frequently subject to both U.S. and Norwegian Social Security coverage and taxation. Because the Norwegian Continental Shelf and the waters above it are not part of the actual "territory" of Norway, a separate definition is necessary in order that the provisions of Part III which eliminate dual coverage within the territories of the two countries may extend to businesses operating in this area of the high seas.

3. "National" means, as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act of 1952, as amended, and as regards Norway, a person of Norwegian nationality;

Under section 101 of the Immigration and Nationality Act of 1952, the term national of the United States means "(A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States." Those in category (B) include natives of American Samoa and Swain's Island. A Norwegian national means any person who is accorded nationality by Norway, including, but not limited to, a person who carries a valid Norwegian passport or other valid identity document designating the person as a Norwegian national.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
4. "Laws" means the laws and regulations specified in Article 2;	The term "laws" as used in the Agreement refers to the laws and regulations of each country pertaining to old-age, survivors, and disability insurance and to Norwegian laws and regulations on rehabilitation and death benefits as set forth in Article 2. Article 2.1.a. specifies the U.S. laws to which the Agreement applies.
5. "Competent Authority" means, as regards the United States, the Secretary of Health and Human Services, and as regards Norway, the Ministry of Health and Social Affairs;	"Competent Authority" as used throughout this Agreement refers to the Government official or body in each country with ultimate responsibility for administering the social security program, including the provisions of the Agreement.
6. "Agency" means, as regards the United States, the Social Security Administration, and as regards Norway, the office or authority responsible for applying all or part of the laws designated in Article 2;	"Agency" as used in the Agreement refers to the administrative body in each country responsible for taking and processing claims filed under each country's social security laws. The Social Security Administration is the agency for the United States. However, the U.S. Internal Revenue Service's responsibility for determining Social Security tax liability in light of SSA coverage determinations under the Agreement is not affected. Norway's national insurance scheme is under the jurisdiction of the Ministry of Health and Social Affairs and is administered centrally by the National Insurance Institution. County committees and local insurance offices carry out administrative duties at the regional and local levels. Under the Agreement, each of these local and regional offices as well as the National Insurance Institution is included within the term "agency." However, the National Insurance Institution is also designated as the Norwegian "liaison agency" in Article 9.2 and as such will be the Social Security Administration's principal contact for purposes of implementing and administering the Agreement.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
7. "Period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;	The term "period of coverage" means any period which is credited under the laws of either country for purposes of determining benefit eligibility, including periods of covered employment or self-employment.
8. "benefit" means any benefit provided for in the laws of either Contracting State;	"Benefit" refers to old-age, survivors, disability and lump sum death benefits provided under the social security laws of either country. "Benefit" includes rehabilitation benefits payable under the social security laws of Norway but excludes special age-72 payments provided for certain uninsured persons under section 228 of the Social Security Act of the United States.
9. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;	The Convention relating to the Status of Stateless Persons defines a stateless person as "a person who is not considered as a national by any State under the operation of its law."
10. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967.	The Convention relating to the Status of Refugees in conjunction with the 1967 Protocol thereto defines as a refugee any person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence, is unable or, owing to such fear, is unwilling to return to it."

PRINCIPAL AGREEMENT

Article 2

1. For the purpose of this Agreement, the applicable laws are:

   a. As regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

      (i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A and 228 of that title and regulations pertaining to those sections,

      (ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of 1954 and regulations pertaining to those chapters;

   b. As regards Norway:

      (i) the National Insurance Act of June 17, 1966, except chapters 2, 3, 4, 11 and 12, unless otherwise provided in the Final Protocol;

      (ii) the Act of June 19, 1969, on special supplements to benefits from the National Insurance Scheme;

      (iii) the Act of December 19, 1969, on compensation supplements to benefits from the National Insurance Scheme.

ANNOTATIONS AND COMMENTS

Article 2 specifies the laws to which the Agreement applies. For the United States, it applies to title II of the U.S. Social Security Act and the corresponding tax laws (the Self-Employment Contributions Act of 1954 and the Federal Insurance Contributions Act) and any regulations pertaining to those laws. However, the Agreement does not apply to Medicare provisions (section 226 and 226A of the Social Security Act) or provisions for special payments to uninsured individuals age 72 or over under section 228 of the Social Security Act. Persons to whom the Agreement applies who qualify independently for Medicare hospital insurance or age-72 payments will be entitled to receive such benefits.

For Norway, the Agreement applies to the Old-Age, Survivors, Disability, Death and Rehabilitation provisions set forth in chapters 7, 10, 8, 9 and 5 respectively of the National Insurance Act and to certain special supplements and compensation supplements under the provisions of the Acts referred to in Article 2.1.b.(ii) and (iii). Under Article 2.1.b.(i), Chapter 2 (Medical Benefits), 3 (Sickness Benefits), 4 (Unemployment Benefits), 11 (Employment Injury Benefits), and 12 (Unmarried Mothers Benefits) are excluded from the scope of the Agreement except as provided in paragraphs 3 and 4 of the Final Protocol.

PRINCIPAL AGREEMENT

2. Unless otherwise provided in the Agreement, laws within the meaning of paragraph 1 shall not include treaties or other international agreements concluded between one Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

ANNOTATIONS AND COMMENTS

The laws to which the Agreement applies do not include treaties and other international agreements (or laws implementing them)--for example, either country's social security agreements with third countries or multilateral agreements to which either country is a party such as the multilateral social security agreements of the Nordic countries. The purpose of this provision is to ensure that in cases where a person has periods of coverage in the United States and Norway and periods of coverage in a third country with which the United States or Norway has a social security agreement, periods from all three countries could not be totalized to meet U.S. or Norwegian benefit eligibility requirements.

PART II

General Provisions

Article 3

This Agreement, unless it provides otherwise, shall apply to:

(a) nationals of either Contracting State,

(b) refugees,

(c) stateless persons,

(d) other persons with respect to the rights they derive from a national of either Contracting State, a refugee or a stateless person, and

(e) nationals of a State other than a Contracting State who are not included among the persons referred to in paragraph (d) of this Article, and who are or have been subject to the laws of a Contracting State.

Article 4

Article 3 specifies five categories of persons to whom the Agreement applies: (1) U.S. or Norwegian nationals, (2) refugees, (3) stateless persons, (4) persons regardless of nationality who derive rights through any of the above, and (5) nationals of other countries who are or have been subject to the laws of the United States or Norway. See Article 1.3, 1.9 and 1.10 for definitions of "national," "stateless person," and "refugee."

Article 4 contains provisions on equality of treatment of persons to whom the Agreement applies and on the exportation of benefit rights. The provisions are similar in effect to those contained in other bilateral agreements concluded by the United States under section 233 of the Social Security Act.

Paragraph 13 of the Final Protocol to the Agreement makes clear that Article 4 will be applied in a manner consistent with title II of the Social Security Act as required by section 233(c)(4) of that Act.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
1. Unless otherwise provided in this Agreement, the persons designated in Article 3(a), (b), (c) or (d) who reside in the territory of either Contracting State shall, in the application of the laws of a Contracting State, receive equal treatment with the nationals of that Contracting State.	Article 4.1 provides that the persons to whom the Agreement applies (with the exception of third country nationals designated in Article 3(e)) who reside in the United States or Norway will be accorded the same treatment under each country's social security laws as each accords its own nationals. This paragraph establishes portability of benefits between the two countries for the designated categories of people to the extent authorized by section 233(c)(2) of the Social Security Act. The paragraph is not intended to affect the coverage provisions of either country's laws.
2. Nationals of a Contracting State who reside outside the territories of both Contracting States shall receive benefits provided by the laws of the other Contracting State under the same conditions which the other Contracting State applies to its own nationals who reside outside the territories of both Contracting States.	Article 4.2 provides that each country will pay benefits to nationals of the other country residing outside of both countries on the same basis as it pays its own nationals residing outside both countries. This paragraph is intended to remove certain restrictions on the payment of benefits which one country may impose on nationals of the other country who reside in a third country. For the United States this provision would remove restrictions only to the extent authorized by section 233(c)(2) and 233(c)(4) of the Social Security Act.
3. Unless otherwise provided in this Agreement, the laws of a Contracting State under which entitlement to or payment of cash benefits is dependent on residence or presence in the territory of that Contracting State shall not be applicable to the persons designated in Article 3 who reside in the territory of the other Contracting State.	Article 4.3 provides that where the laws of either country require that a person be resident or present in that country in order to qualify for or receive social security benefits, the person may also qualify for or receive those benefits during periods of residence in the other country. This paragraph permits the United States to pay certain third country nationals and their dependents who would otherwise be subject to the alien nonpayment provisions of section 202(t) of the Social Security Act during periods of residence in Norway. In addition, it permits Norway to pay certain disability and survivors benefits formerly payable only to residents of Norway to persons who reside in the United States.

PRINCIPAL AGREEMENT

PART III

Provisions on Coverage

ANNOTATIONS AND COMMENTS

Part III is intended to eliminate dual coverage, i.e., situations where a worker is covered under the laws of both countries with respect to the same services. In so doing, the existing coverage provisions of the laws of both countries are preserved to the greatest extent possible. The provisions in this Part are intended to eliminate dual coverage by continuing the worker's social security coverage and taxation under the system of the country to whose economy he has the more direct connection and exempting him from coverage and taxation under the other country's system.

Article 5

Unless otherwise provided in this Article, a person employed within the territory of one of the Contracting States shall with respect to that employment be subject to the laws on compulsory coverage of only that Contracting State.

Article 5.1 establishes a general territoriality rule which stipulates that ordinarily a person's employment in a country will be compulsorily covered by only that country. Thus a person working in employment covered under the laws of both countries will remain covered under the system of the country where the employment takes place and will be exempt from coverage under the system of the other country. Article 5.2 contains an exception to this rule which applies when an employee is sent by his employer in one country to work temporarily in the other country. Article 5.3 sets forth rules applicable to the coverage of persons employed on Norway's Continental Shelf. Coverage of self-employed persons is governed by Article 5.4.

PRINCIPAL AGREEMENT

2. If a person in the service of an employer having a place of business in the territory of one Contracting State is sent by that employer to the territory of the other Contracting State for a temporary period, the person shall be subject to the laws on compulsory coverage of only the first Contracting State as if he were still employed in the territory of the first Contracting State, provided that his employment in the territory of the other Contracting State is not expected to last for more than 5 years. The preceding sentence shall apply regardless of whether the remuneration for such service is paid by the employer in the first Contracting State. The spouse and children who accompany a person sent by an employer located in the territory of one Contracting State to the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State for any period in which they are not employed in the other Contracting State.

ANNOTATIONS AND COMMENTS

Under Article 5.2, an employee working for an employer located in the United States or Norway who is temporarily transferred to work in the other country for the same employer (or a foreign subsidiary of the same employer) will continue to be covered by the country in which the employer is located. The transfer must be expected to last for a period of not more than 5 years. Paragraph 1 of the Final Protocol provides that the Agreement will not apply where it would result in U.S. coverage and U.S. law contains no authority for the collection of the contributions with respect to that coverage. Thus, if a person other than a U.S. national is sent by an American employer to work in Norway, Norwegian national law will apply so that the person will generally be covered by the Norwegian system. Paragraph 2 of the Final Protocol provides that Article 5.2 also applies when the employee is sent to work temporarily in a third country before being sent to work in the United States or Norway. Under paragraph 3 of the Final Protocol, third country nationals sent by an employer located in Norway to work in the United States will be covered by Norwegian law, unless the employee is a national of a country with which the United States has an agreement on social security and that agreement applies to the particular case.

In accordance with the last sentence of Article 5.2, any family member who accompanies a worker temporarily transferred from one country to the other will be subject only to the laws of the country from which the worker is transferred unless such a family member undertakes employment in the host country, in which case he would be subject to the laws of that country. This provision is particularly important under Norwegian laws which grant social security coverage credits to persons who either work in Norway or who reside in Norway. It will, for example, permit family members who accompany workers temporarily transferred from Norway to the United States to continue to receive residence credits under Norwegian law provided they do not work while they are in the United States. It also means that family members who accompany workers temporarily transferred from the United States to Norway will not be covered under Norwegian law unless they work there.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
3. (a) The provisions of paragraph 1 shall also apply in cases where a person is resident in Norway and employed on installations for the exploration and exploitation of natural resources on the Norwegian continental shelf.	Article 5.3(a) extends the application of the territoriality rule set forth in Article 5.1 to persons who are resident in Norway and are engaged in activites such as oil exploration on Norway's Continental Shelf. Without this provision, U.S. nationals residing in Norway who are hired by U.S. firms to work on the Norwegian Continental Shelf would be covered and taxed under the Social Security laws of both Norway and the United States. Their employers would also be subject to dual taxation. The effect of Article 5.3(a) is to eliminate U.S. coverage in these instances leaving the persons covered under Norwegian law. Although a U.S. national not resident in Norway is not covered under Norwegian laws while working on the Continental Shelf, his employer must still make contributions to the Norwegian social security system on his behalf. If his employer were a U.S. firm, he would also be covered under U.S. laws. Paragraph 6 of the Final Protocol is intended to eliminate the obligation of the involved U.S. employers to make contributions to Norway on behalf of such persons.
(b) The provisions of paragraph 2 shall also apply in cases where a person is employed on installations for the exploration and exploitation of natural deposits on the Norwegian continental shelf as if he were employed in the territory of Norway.	Article 5.3(b) extends the application of Article 5.2 to persons who are sent by their employers in the United States to work on the Norwegian Continental Shelf. Under this provision such persons would remain subject to U.S. coverage and exempt from Norwegian coverage.
4. A person who is self-employed in the territory of either Contracting State and who is a resident of one Contracting State shall be subject to the laws on compulsory coverage of only the Contracting State of which he is a resident.	Article 5.4 applies to self-employed persons who reside in the United States or Norway. It provides that all of their self-employment income earned in the two countries will be subject to coverage by the country of residence.

PRINCIPAL AGREEMENT

5. (a) Part III of this Agreement shall not apply to the categories of persons mentioned in the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

(b) Nationals of one of the Contracting States who are not mentioned in the provisions of the Vienna Conventions referred to in subparagraph (a) and who are employed by that Contracting State in the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State.

6. If a person is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and is subject to the laws on compulsory coverage of both Contracting States, the person shall be subject to the laws on compulsory coverage of only the Contracting State whose flag the vessel flies.

7. The Competent Authority of one Contracting State may grant an exception to the provisions of this Article if the Competent Authority of the other Contracting State agrees, provided that the affected person shall be subject to the laws of one of the Contracting States.

ANNOTATIONS AND COMMENTS

Article 5.5 provides that the Agreement will not affect the coverage of the categories of people mentioned in the Vienna Conventions on diplomatic and consular relations. The Conventions, to which both the United States and Norway are parties, apply to members of the staff of a diplomatic or consular mission, including the diplomatic, consular, administrative and technical staffs; family members of such staff who form part of their households; domestic service staffs of the mission and private servants employed by the members of such a mission. Such persons will continue to be covered according to the provisions of the Conventions and the national laws of the two countries. Article 5.5 also provides that nationals of one country -- other than those mentioned in the Conventions -- working for that country in the other country will remain subject to the Social Security laws of only the country of which they are nationals.

Under Article 5.6, a person employed on a U.S. or Norwegian ship who is covered under the laws of both countries will be covered only under the laws of the country whose flag the ship flies. As indicated in paragraph 8 of the Final Protocol, a ship is considered to fly the flag of the United States if it is an American vessel as defined in section 210(c) of the Social Security Act.

Under Article 5.7, either country may grant an exception to the coverage rules set forth in this Article provided that the other country agrees and the person involved remains subject to the coverage laws of one of the countries. This provision is designed to permit the Competent Authorities to correct anomalous coverage situations that may arise to the disadvantage of workers or to eliminate dual coverage in unforeseen circumstances.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART IV

Provisions on Benefits

Chapter I

Provisions Applicable to the United States

Part IV establishes the basic rules for determining entitlement to and the amount of U.S. and Norwegian benefits.

Article 6

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, pension point years completed under Norwegian laws shall be taken into account to the extent they do not coincide with calendar quarters already credited as quarters of coverage under United States laws.

Article 6 contains rules for determining U.S. benefit eligibility and amounts in the case of people who have periods of social security coverage in Norway and at least six quarters of coverage in the United States, but who do not have enough U.S. coverage to qualify for U.S. benefits. In such cases, the Social Security Administration, in accordance with Article 6.1, will take into account any periods of contributory, earnings-related Norwegian coverage (which are called pension point years) insofar as they do not coincide with quarters of coverage already credited under U.S. laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit four quarters of coverage for each pension point year certified as creditable by the agency of Norway; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

Article 6.2 establishes the procedure to be followed in converting periods of coverage under the Norwegian system into equivalent periods under the U.S. system. Periods of coverage under the U.S. system are measured in terms of calendar quarters while Norwegian periods of coverage are measured in years. Beginning in 1978, U.S. quarters of coverage are based on the amount of a person's annual earnings (e.g., for 1982, $340 in earnings equals one quarter of coverage). Norway credits a pension point year once a person's annual earnings exceed a minimum level called the "basic amount," which was approximately $2,940 at the end of 1982.

The Norwegian agency will certify to the Social Security Administration the number of pension point years credited to the person under the Norwegian system. SSA will then credit four quarters of coverage for each pension point year to the extent the calendar quarters in such years do not coincide with quarters of coverage already credited under the U.S. system.

PRINCIPAL AGREEMENT

3. Where entitlement to a benefit under United States laws is established according to the provisions of paragraph 1, a pro rata primary insurance amount shall be computed based on the ratio of the total periods of coverage completed under United States laws to the total periods of coverage completed under the laws of the two Contracting States. Benefits payable under United States laws on the basis of an earnings record where a pro rata primary insurance amount has been computed shall be paid on the basis of that pro rata primary insurance amount.

ANNOTATIONS AND COMMENTS

Article 6.3 describes the method of computing U.S. benefit amounts when eligibility is established based on totalized credits. As stipulated in Article 6.1, persons who qualify for U.S. benefits based on their U.S. coverage alone are not eligible for totalization benefits from the United States.

The computation method described by Article 6.3 is the one which the U.S. has used in all its social security agreements which have been implemented to date. Under this method, the United States first computes a theoretical primary insurance amount (PIA) by applying its regular benefit computation provisions to the total periods of coverage completed under the laws of both countries, taking into account the total amount of covered U.S. earnings and the dollar equivalent of covered Norwegian earnings (see Article 6.4). The theoretical PIA is then prorated, for purposes of determining the amount of the U.S. payment, on the basis of the ratio of periods of coverage completed under U.S. law to the total periods completed under the laws of both countries.

SSA has found that this computation procedure, particularly the use of foreign earnings data, is time-consuming and prone to error. Therefore, Article 6.6 has been included to permit the U.S. to compute totalization benefit amounts under a new method based on periods of coverage and earnings credited exclusively under U.S. laws. Since the U.S.-Norwegian Agreement is expected to enter into force only after U.S. regulations implementing the new method have been promulgated, it is not likely that the U.S. will implement the procedure described in Articles 6.3 and 6.4. For more on the new computation method, see the annotations to Article 6.6.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
	The pro rata PIA, whether computed under the old methed or the proposed new method, will be the basis for all social security benefits payable by the United States under the Agreement on an individual's earnings record.
4. For any calendar quarter credited with a quarter of coverage based on Norwegian periods of coverage according to paragraph 1, the agency of the United States shall take into account for purposes of computing a pro rata primary insurance amount the amount of any earnings credited to the person for that period under Norwegian laws, subject to the maximum annual creditable earnings limitation under United States laws.	Although Article 6.4 indicates the United States will take into account earnings covered under the Norwegian system for the purpose of computing totalization benefit amounts, it is not expected that this will be necessary since paragraph 6 of this Article authorizes an alternative method of computing U.S. benefits which would eliminate the need for Norwegian earnings information. (See the annotations to paragraph 6.)
5. Entitlement to a benefit from the United States which results from paragraph 1 shall terminate with the acquisition of sufficient periods of coverage under United States laws to establish entitlement to an equal or higher benefit without the need to invoke the provision of paragraph 1.	Article 6.5 provides that where insured status under U.S. law is acquired after entitlement based on totalization, and an equal or higher benefit is payable without totalization, SSA will terminate the entitlement based on totalization and provide the benefit for which entitlement is based on U.S. coverage alone.

PRINCIPAL AGREEMENT

6. Where entitlement to a benefit under United States laws is established according to the provisions of Article 6.1 of the Agreement, the requirements of Article 6.3 and 6.4 shall be considered to be met if the agency of the United States computes the pro rata primary insurance amount in accordance with United States laws based on (a) the person's average earnings credited exclusively under United States laws and (b) the ratio of the duration of the person's periods of coverage credited under United States laws to the duration of a coverage lifetime as determined in accordance with United States laws.

ANNOTATIONS AND COMMENTS

Articles 6.3 and 6.4 of the Agreement provide for the computation of U.S. totalization benefits in the same manner established in the other U.S. social security agreements now in force. Under this method, when a person qualifies for U.S. benefits on the basis of combined U.S. and foreign periods of coverage, a theoretical benefit amount is determined by combining the person's U.S. and foreign earnings records. The combined earnings (indexed if the worker qualifies for a computation based on average indexed monthly earnings (AIME)) are averaged over the number of months in the worker's benefit computation years. These are generally the years from 1951, or, if later, the year of attainment of age 22, up to the year the worker reaches age 62, becomes disabled, or dies, disregarding 5 years of low earnings in retirement or survivors cases, and zero to 5 years in disability cases. The theoretical benefit amount is determined by applying the regular U.S. national benefit formula to the person's average monthly earnings (AME) or, where appropriate, the person's AIME, which was derived on the basis of combined earnings records. The theoretical benefit is then reduced to reflect the fact that the person worked only part of his career under the U.S. system. Thus, the benefit that is actually payable equals the theoretical benefit amount multiplied by the ratio of U.S. periods of coverage to total periods of coverage under the programs of the United States and the other agreeing country.

Each country, including Norway, with which we have discussed the possibility of concluding a social security agreement has expressed concern over the need to furnish the United States with detailed data on a worker's earnings under its system. Furnishing this information, which may not even be used under its system, has been administratively burdensome. The Social Security Administration has experienced long delays in obtaining foreign earnings information in some cases. Converting foreign earnings into equivalent U.S. dollar amounts and manipulating it in the U.S. benefit computation has proven to be a laborious operation, which by its nature is time-consuming and prone to error. The length of time needed to obtain foreign earnings information has resulted in long delays in awarding U.S. totalization benefits in a significant number of cases.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

In addition, prorating benefit amounts based on the ratio of U.S. periods to total periods in both countries can result in individuals with the same date of birth and the same average earnings and coverage under the United States system receiving significantly different U.S. totalization benefit amounts depending upon the amount of covered work they had under the foreign system. Although additional foreign coverage, by increasing the denominator of the pro rata ratio, would generally reduce the amount of U.S. totalization benefits, it might or might not result in a compensating increase in the amount of foreign benefits, depending on the computation method used by the foreign country.

SSA has been working to develop a new method of computing U.S. totalization benefits that would not require information on foreign earnings and thus would avoid the problems connected with the current computation method. The existing regulations that specify the current method would have to be revised to authorize any new method. Under a proposed new method that appears most promising, Norwegian social security coverage would be combined with U.S. coverage to establish entitlement to a U.S. totalization benefit, but Norwegian earnings would not be considered in computing the amount of the benefit. Only the worker's earnings and periods of coverage under the U.S. Social Security program would be taken into account.

Under this proposed method, the theoretical benefit amount would be based on the worker's U.S. earnings or, where appropriate, indexed earnings, averaged over the period he actually worked under the U.S. system, rather than over all the worker's benefit computation years as under the current method. The theoretical benefit amount would be computed by applying a regular U.S. national benefit formula to the worker's AME or AIME so derived. The benefit actually payable would be determined by multiplying the theoretical benefit amount by the ratio of the worker's U.S. quarters of coverage to the number of calendar quarters in a period generally equal to the worker's benefit computation years.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

Under this proposed method, the theoretical benefit would approximate the benefit amount to which the worker would have been entitled had he worked a full lifetime under the U.S. system at the same relative earnings level as during his actual periods of U.S. coverage. The prorata benefit that is payable would reflect the portion of the worker's coverage lifetime spent under the U.S. system.

The proposed new method is comparable to the computation methods used by most Western industrialized countries which compute totalization benefits based only on earnings credited under their own social security systems. It would greatly expedite the processing of claims by the Social Security Administration since the time-consuming process of securing foreign earnings records would have been eliminated. Since the theoretical benefit would be prorated without regard to the length of the worker's foreign coverage, U.S. totalized benefit amounts would be the same for all individuals with the same date of birth and the same average earnings and coverage periods under the U.S. system.

The language of Article 6.6 has been drafted in general terms to allow some flexibility in the development of the U.S. regulations authorizing the proposed new computation method and to allow use of the present method if, for some unforeseen reason, the new method is not adopted or the promulgation of the regulatory revision is long delayed.

PRINCIPAL AGREEMENT

Chapter II

Provisions Applicable to Norway

Article 7

ANNOTATIONS AND COMMENTS

Norway provides old-age, survivors and disability benefits through two separate programs--a basic pension program and a supplementary pension program--which together make up what is usually described as a "two-tier" social security system. The basic system, or first tier, is a non-work-related, noncontributory program which pays old-age, survivors and disability benefits to all residents in proportion to the number of years they have resided in Norway. The supplementary system constitutes the second tier and is a contributory, earnings-related program. It pays benefits based on the length of a worker's employment and the level of his earnings.

Both the basic and supplementary pensions are determined in relation to a "basic amount." This basic amount (approximately $2,940 at the end of 1982) is adjusted each year to take account of changes in the general income level and the cost of living in Norway. The various benefits which are based on the basic amount are automatically adjusted whenever the basic amount is increased.

To be eligible for a basic pension a person must generally have resided in Norway for at least 3 years. Similarly, a minimum of 3 years of contributions on earnings which exceed the basic amount (i.e., 3 pension point years) are required in order to qualify for a supplementary pension. Any year in which a person is credited with a pension point year under the supplementary system is automatically considered a period of residence under the basic system even if the person did not actually reside in Norway.

Under Article 7, Norway will combine U.S. coverage with periods of Norwegian coverage in order that persons who do not meet the minimum coverage requirements may become eligible for the basic and supplementary pensions. Article 7, together with the provisions of Article 4, also provides that Norway will pay certain basic disability and survivors benefits formerly payable only to residents of Norway to persons who reside in the United States.

PRINCIPAL AGREEMENT

1. (a) Where a person has completed at least one year of coverage under Norwegian laws, quarters of coverage completed under United States laws shall be taken into account to determine entitlement to disability, survivors and old-age pensions provided they do not coincide with periods of coverage already credited under Norwegian laws. To become entitled to a Norwegian supplementary pension based on the preceding sentence, pension points must have been credited for at least one year.

(b) Four quarters of coverage completed under United States laws shall correspond to one year of coverage under Norwegian laws.

2. (a) The basic disability or survivors pension of a person present in one of the Contracting States shall be computed on the basis of actual periods of coverage completed under Norwegian laws and on future periods of coverage based on the ratio of the actual periods of coverage to the full Norwegian insurance period of 40 years, provided that the resulting benefit amount is higher than a pension computed exclusively under Norwegian laws.

ANNOTATIONS AND COMMENTS

Article 7.1(a) describes how periods of U.S. and Norwegian coverage will be combined to determine eligibility for Norwegian totalized benefits under both the basic and supplementary pension programs. It stipulates that where a person has completed at least 1 year of Norwegian coverage (i.e., a year of residence or a pension point year), Norway will add U.S. quarters of coverage to that coverage in determining whether the person meets the minimum requirements for basic and supplementary benefits; Norway will not count quarters of coverage which coincide with periods of coverage already credited under Norwegian laws.

Article 7.1(b) specifies that four U.S. quarters of coverage will be considered equivalent to 1 year of coverage under Norwegian law. The Norwegians will divide a person's total U.S. quarters of coverage by 4 and the result will represent the number of years of residence and the number of pension point years to be credited for eligibility purposes under each program. Where necessary to meet certain recency-of-coverage requirements which apply to Norwegian disability and survivors benefits, Norway will assign U.S. coverage to the most advantageous calendar quarters for that purpose.

Under Norwegian law, the basic old-age pension is payable to any person age 67 or older who has resided in Norway for at least 3 years. The pension is payable at a rate of 1/40 of the basic amount for each year of Norwegian residence. A maximum pension equal to the basic amount is payable to persons who have resided in Norway for at least 40 years, and a minimum pension equal to 3/40 of the basic amount is payable to persons who meet only the minimum residence requirement of 3 years.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

The basic disability and survivors pensions are calculated in the same manner as the basic old-age pension. Like the old-age pension, the disability or survivors pension is reduced if the claimant has resided in Norway for less than 40 years; however, the period between disablement or death and age 67 (called future periods of coverage) are counted as years of residence provided the person resides in Norway at the time of disability or death. Future periods of coverage are not counted in calculating the benefit of a person who is outside of Norway at the time of disability or death.

Under Article 7.2(a), persons who become entitled to Norwegian disability or survivors benefits while present in the United States will be granted credit for a portion of future periods of coverage when the benefit amount is calculated. The number of future years to be taken into account will be determined according to the following formula:

$$\text{years between disability or death and age 67} \times \frac{\text{actual years of Norwegian residence}}{\text{40 (maximum insurance period)}}$$

For example, a person who becomes disabled in the United States after having resided in Norway for 10 years would become entitled to a basic disability benefit equal to 10/40 of the basic amount plus 10/40 of the amount attributable to future periods of coverage. Thus, if the person were disabled at age 42, he would receive credit for 6 future years, which is 10/40 of the 24 future years between age 42 and the Norwegian retirement age of 67. The final amount of the basic disability benefit in this case would be 16/40 of the basic amount.

PRINCIPAL AGREEMENT

(b) The supplementary disability or survivors pension of a person present in one of the Contracting States shall be computed on the basis of actual pension point years credited under Norwegian laws and on future pension point years based on the ratio of the actual pension point years credited to the full Norwegian pension point earnings period of 40 years, provided that the resulting benefit amount is higher than a pension computed exclusively under Norwegian laws.

ANNOTATIONS AND COMMENTS

To be entitled to a supplementary old-age pension under Norwegian law, a person must have reached the age of 67 and have been credited with at least 3 pension point years. A pension point year is any year after 1966 in which a person's annual earned income exceeds the basic amount.

The amount of a person's old-age pension is based on his average annual earnings and the number of pension point years he has accrued. To be entitled to a maximum supplementary pension, a person must have 40 pension point years. If he has less than 40, the pension is reduced proportionately.

The supplementary disability and survivors pension is calculated like the supplementary old-age pension except that years between disablement or death and age 67 (called future pension point years) may under certain circumstances be counted as actual pension point years in order to increase the benefit amount. Norwegian law generally precludes granting future pension point years in calculating the benefit of a person who is outside of Norway at the time of disability or death. However, Article 7.2(b) provides that credit for a portion of future pension point years will be granted to persons who become entitled to Norwegian disability or survivors benefits while present in the United States. The number of future pension point years to be taken into account will be determined according to the following formula:

$$\text{years between disability or death and age 67} \times \frac{\text{actual number of pension point years}}{\text{40 (maximum possible pension point years)}}$$

If a basic or supplementary benefit calculated under Norwegian national law would be greater than a benefit calculated in accordance with Article 7.2(a) or 7.2(b) respectively, the national law benefit would be paid.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
(c) Where a disability or survivors pension computed exclusively under Norwegian laws without recourse to this Agreement is higher than the total benefits payable by the agencies of both Contracting States in accordance with the provisions of this Agreement, the agency of Norway shall pay the benefit amount computed in accordance with the provisions of this Agreement increased by an amount which is equal to the difference between the amount payable by the agency of Norway without recourse to this Agreement and the total benefits payable by the agencies of both Contracting States in accordance with this Agreement.	Because it is possible for a person who has resided or worked in Norway for as little as one year to qualify for substantial disability or survivors benefits, Norwegian law provides for such benefits to be reduced by the amount of any similar benefit the person receives from the social security system of another country. Article 7.2(c) guarantees that the person's Norwegian disability or survivors benefit after offset will be no less than an amount computed in accordance with Article 7.2(a) and 7.2(b).
3. An old-age pension shall be computed on the basis of periods of coverage fulfilled and pension point years credited under Norwegian laws.	Article 7.3 provides that where entitlement to a Norwegian old-age pension is established based on combined U.S. and Norwegian periods of coverage, the amount of such pension will be based solely upon periods of coverage credited under Norwegian law. Because the amount of a Norwegian old-age pension is directly proportional to the number of years of residence or number of pension point years, the amount of a benefit computed in this manner is the same as it would be if U.S. periods of coverage were included in the computation and the resulting amount were reduced in proportion to the actual years of Norwegian coverage.
4. A disability or survivors pension granted according to Norwegian laws shall be converted to an old-age pension when the person reaches the general pension age. The old-age pension shall be computed on the basis of periods of coverage and pension point years used to compute the disability or survivors pension.	Article 7.4 permits a Norwegian disability or survivors benefit to be converted to an old-age benefit of an equal amount at age 67. Without this provision, a disability or survivors benefit would be reduced at the time it is converted, since the old-age pension is computed based on actual periods of coverage and does not include the additional credit granted for future periods of coverage or future pension point years.

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5. Supplementary pensions payable to United States nationals shall be computed in accordance with the overcompensation provisions of Section 7-3 of the National Insurance Act in accordance with the regulations laid down pursuant to the third paragraph of that section. Pension increments due to overcompensation shall be paid to United States nationals also when they are resident in the territory of the United States.

6. A compensation supplement shall only be payable to persons resident in the territory of Norway. Payment of rehabilitation benefits, basic benefits, attendance benefits and child care benefits to persons not resident or present in the territory of Norway shall be determined in each case pursuant to Norwegian laws.

ANNOTATIONS AND COMMENTS

Because the Norwegian supplementary benefit program was not established until 1967, it is not yet possible for a person to have worked for 40 years as would be required to receive a maximum supplementary pension. For this reason, Norwegian law contains certain transitional provisions which permit persons to receive a maximum pension based on as few as 20 pension point years. Under Norwegian national law, these transitional provisions can only apply to persons who reside in Norway and who are either (1) Norwegian nationals, or (2) non-Norwegian nationals who have resided in Norway for a minimum of 10 or 20 years depending on their age. Article 7.5 liberalizes Norwegian national law, permitting U.S. nationals who meet the 10- or 20-year residence requirement to receive benefits computed under the transitional provisions even while they reside in the United States.

Article 7.6 deals with several types of supplemental benefits which are designed specifically to assist residents of Norway. They include benefits intended to offset the effects of Norway's value-added tax, rehabilitation benefits and benefits payable to disabled persons who incur heavy expenses because of their impairment or who require special attention, nursing or domestic help. In exceptional cases these benefits may also be paid to persons residing outside Norway.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART V

Miscellaneous Provisions

Article 8

The Competent Authorities of the two Contracting States shall:

(a) Conclude an administrative agreement and make such other administrative arrangements as may be necessary for the implementation and application of this Agreement;

(b) Communicate to each other information concerning the measures taken for the application of this Agreement; and

(c) Communicate to each other, as soon as possible, information concerning all changes in their respective laws which may affect the application of this Agreement.

Article 8 lists several duties of the Competent Authorities under the Agreement. It obligates them to negotiate an administrative agreement for the implementation of the principal agreement. This provision serves as authority for Norway to conclude the accompanying administrative agreement without lengthy parliamentary review. The Competent Authorities are also obligated to conclude any other administrative arrangements that may be necessary to implement the present Agreement and also to jointly establish procedures for mutual administrative assistance in implementing the Agreement. The Article also requires them to notify each other of the measures they have taken unilaterally to implement the Agreement, as well as any changes in their social security laws.

Article 9

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authority, shall assist each other in implementing this Agreement. This assistance shall be free of charge subject to exceptions to be agreed upon in an administrative agreement.

Article 9 provides authority for nonreimbursable administrative assistance between the countries in applying this Agreement. The administrative agreement that has been negotiated to implement this Agreement provides for cases where assistance will be provided on a reimbursable basis, for example, where medical examinations are procured by one country for the sole use of the other country.

PRINCIPAL AGREEMENT

2. Liaison agencies for the implementation of this Agreement shall be:

   (a) for the United States, the Social Security Administration;

   (b) for Norway, the National Insurance Institution.

ANNOTATIONS AND COMMENTS

Article 9.2 lists the liaison agencies for both countries. Claims which are filed in one country for benefits from the other country will be forwarded to the liaison agency in the other country for processing. The Social Security Administration is the liaison agency for the United States. The National Insurance Institution, the Norwegian agency comparable to SSA, is the liaison agency for Norway.

Article 10

Where the laws of a Contracting State provide that any document which is submitted to the Competent Authority or an agency of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to documents which are submitted to the Competent Authority or an agency of the other Contracting State in accordance with its laws.

If the laws of one country exempt documents from fees or charges, the exemption applies if the documents are sent to the other country by or on behalf of a claimant or beneficiary.

Article 11

1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the administration of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected because it is in the official language of the other Contracting State.

Article 11 authorizes direct correspondence between the Competent Authorities and agencies of the two countries and between these bodies and any person with whom they may need to communicate. The U.S. Competent Authority and agency may correspond in English and the Norwegian Competent Authority and agencies may correspond in Norwegian.

The agencies of each country may not reject an application or document because it is in an official language of the other country. The United States already accepts applications and documents without regard to the language in which they are written.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
Article 12	
1. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State or provides information indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.	Under Article 12.1, a written application submitted to the agency of one country will protect a claimant's right to benefits under the laws of the other country as if the application had been presented in the other country, provided the applicant expresses an intent to file for benefits in the other country when the application is filed. Because an applicant may not be fully aware of benefit rights in the other country, Article 12.1 also provides that the application will protect the claimant's rights in the other country if, at the time of filing, the applicant indicates that the person on whose record benefits are based has been covered under social security in the other country.
2. Notwithstanding paragraph 1, an applicant may specify that an application filed with an agency of one Contracting State not be considered an application under the laws of the other Contracting State or that the application be effective on a different date in the other Contracting State within the limitations of and in conformity with the laws of the other Contracting State.	An applicant may limit an application to benefits from only one country or specify that an application to one country is to have a different effective date in the other country within the limits of the laws of the other country. This provision could be of importance, for example, to people who wish to take advantage of delayed retirement credit provisions under the other country's laws.
3. The provisions of Part IV of this Agreement shall apply only to an application for benefits which is filed on or after the date this Agreement enters into force.	Article 12.3 requires that a person claiming benefits under the Agreement file an application either on or after the date the Agreement enters into force. If a person filed an application prior to this date, a new application is necessary.
Article 13	
1. A written appeal of a determination made by the agency of one Contracting State may be validly filed with an agency of the other Contracting State.	Both the United States and Norway have formal procedures for appealing adverse determinations of their agencies. Under Article 13.1, an appeal of a decision by an agency of one country may be filed with an agency of the other country.

PRINCIPAL AGREEMENT

2. Any claim, notice, or appeal which must be filed within a given period of time with the agency of one Contracting State shall be considered to have been timely filed if the claim, notice, or appeal has been filed within such period with the agency of the other Contracting State. In such case, the agency with which the claim, notice, or appeal has been filed shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.

ANNOTATIONS AND COMMENTS

Article 13.2 provides that a claim, notice, or appeal which must be filed within a time limit with an agency of one country shall be considered filed timely if filed within such limit with an agency of the other country. The agency with which the claim, notice, or appeal is filed shall transmit it without delay to the liaison agency of the other country indicating the date the document was received.

Article 14

In case provisions designed to restrict the exchange of currencies are issued in either Contracting State, the Governments of both Contracting States shall immediately confer on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.

Should either country impose restrictions on the exchange of its currency, steps shall be taken to assure the payment of amounts due under the Agreement.

Article 15

1. Disagreements between the two Contracting States regarding the interpretation or implementation of this Agreement shall, as far as possible, be settled by the Competent Authorities.

Article 15.1 would obligate each country to attempt to resolve any dispute between them regarding the Agreement through direct consultation or negotiation.

2. If a disagreement cannot be resolved by the Competent Authorities of the Contracting States, it shall at the request of either Contracting State be submitted for arbitration in accordance with procedures to be agreed upon by the Competent Authorities.

Article 15.2 would require both States, at the request of either State, to establish an arbitral procedure in any case where disagreements could not be resolved by the Competent Authorities.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART VI

Transitional and Final Provisions

Article 16

1. This Agreement shall also apply to events relevant to rights under the laws which occurred prior to its entry into force.

Under Article 16.1, events material to the determination of benefit rights, such as marriage, death, disablement, or attainment of a certain age, which occur prior to the effective date of the Agreement will be considered in applying the Agreement.

2. This Agreement shall not establish any claim to payment of a benefit for any period before its entry into force or a lump-sum death benefit if the person died before its entry into force.

Under Article 16.2, benefits payable as a result of the Agreement will be paid only for periods beginning with the date on which the Agreement enters into force. Any lump-sum death payments provided by section 202(i) of the U.S. Social Security Act will be payable under the Agreement only if the death occurs on or after the date the Agreement enters into force.

3. Consideration shall be given to periods of coverage under the laws of either Contracting State occurring before the entry into force of this Agreement, in order to determine the right to benefits under this Agreement.

In determining benefit eligibility and amounts under the Agreement, Article 16.3 provides that periods of coverage occurring before the Agreement enters into force will be taken into account.

4. Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

A decision to award or deny a claim which was rendered prior to the effective date of the Agreement will not prevent a person from claiming benefits under the Agreement.

5. This Agreement shall not result in the reduction of cash benefit amounts because of its entry into force.

Although it is unlikely that other provisions of the Agreement would result in reduced benefit amounts, Article 16.5 guarantees that benefits payable at the time the Agreement enters into force will continue to be paid in an equal or greater amount after the Agreement enters into force.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

Article 17

The attached Final Protocol shall form an integral part of this Agreement.

Article 17 makes the Final Protocol an integral part of the Agreement.

Article 18

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its denunciation is given by one of the Contracting States to the other Contracting State.

2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Contracting States shall make arrangements dealing with rights in the process of being acquired.

Article 18.1 provides for the Agreement to remain in effect until the expiration of 1 calendar year after the year notice of termination is given by one of the countries.

Article 18.2 provides that, in the event of termination of the Agreement, a person will retain benefit rights acquired before termination; supplementary agreements would determine the extent to which each country would recognize benefit rights in the process of being acquired at the time of termination--for example, periods of coverage which had not yet resulted in fully insured status.

Article 19

This Agreement shall enter into force on the first day of the second month following the month in which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Agreement.

Each country will follow its own constitutional procedures for approval of the Agreement. The Norwegian Parliament will have to approve the Agreement. In the United States, the Agreement will have to be presented to the Congress for a review period of 90 session days as required by section 233(e) of the U.S. Social Security Act. The Agreement will enter into force on the first day of the second calendar month after each Government has received formal notification of approval from the other Government.

In witness whereof, the undersigned, being duly authorized thereto, have signed the present Agreement.

Done at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

For the Government of the United States of America:

(signed)

Richard S. Schweiker

For the Government of the Kingdom of Norway:

(signed)

Knut Hedemann

FINAL PROTOCOL TO THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY

At the time of signing the Agreement between the United States of America and the Kingdom of Norway on Social Security, the undersigned stated that they are in agreement on the following points:

1. The Agreement shall not result in coverage under United States laws if those laws do not provide for the collection of contributions with respect to such coverage. Article 5.1 of the Agreement shall apply when Article 5.2 is not applicable as a result of the preceding sentence.

2. Article 5.2 shall apply in cases where a person is employed in the territory of a third State, but compulsorily covered under the laws of one of the Contracting States, and is then sent by his employer to the territory of the other Contracting State.

The Final Protocol, which under the terms of Article 17 forms an integral part of the Agreement, contains provisions which are for the most part unilateral commitments or reservations to the Agreement.

Paragraph 1 is intended to make clear that the Agreement will not result in an extension of U.S. Social Security coverage if there is no authority in U.S. law to impose Social Security taxes with respect to the work. (There is, at present, no provision in U.S. law for extending Social Security taxation under a section 233 agreement.) For example, a Norwegian national employed outside the United States by an American employer would not be covered under the U.S. program, notwithstanding the provisions concerning transferred employees under Article 5.2.

Article 5.2 of the Agreement provides that an employee sent from one country to work temporarily in the other country will continue to be covered by the country from which he is sent. Paragraph 2 makes clear that Article 5.2 will apply even if the employee is not sent directly to the other country but is first assigned to work in a third country.

FINAL PROTOCOL

3. With respect to Article 5.2, a person who is sent by an employer having a place of business in the territory of Norway to the territory of the United States shall be subject to Norwegian laws, including those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1.b.(i).

4. With respect to Article 5.2, a person who is sent by an employer having a place of business in the territory of the United States to the territory of Norway and who is subject to United States laws shall also be subject to Norwegian laws with respect to those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1.b.(i).

5. Article 5.2 shall apply in cases where a national of a State other than a Contracting State is sent by an employer in the territory of one Contracting State to the territory of the other Contracting State, provided that its application does not conflict with any provision of another treaty or international agreement between a Contracting State and a third State.

ANNOTATIONS AND COMMENTS

Article 2.1.b.(i), which specifies the applicable Norwegian laws, excludes chapters of the Norwegian National Insurance Act dealing with non-OASDI programs from the scope of the Agreement. Persons to whom the Agreement applies are not subject to coverage or entitled to receive benefits under the Norwegian programs for medical care, sickness, unemployment, workers compensation and unmarried mothers as a result of the Agreement. Since this exclusion could interrupt the rights of certain persons who are covered under these non-OASDI programs, paragraph 3 makes it clear that persons sent from Norway to work for a temporary period in the United States will remain covered by all of the chapters of the Norwegian National Insurance Act if, under Article 5.2, they are subject to Norwegian laws while in the United States.

The coverage provisions of the Agreement eliminate dual coverage and taxation under the OASDI programs of both countries' laws. Paragraph 4 makes it clear that the non-OASDI programs of Norwegian law will continue to apply to persons sent from the United States to work for a temporary period in Norway, even if they are subject to U.S. laws under Article 5.2.

Under paragraph 5, a third country national sent from Norway to the United States for a temporary period by his employer located in Norway will continue to be covered under Norwegian social security laws and exempt from U.S. coverage. However, to the extent that this provision conflicts with another international social security agreement, it will not apply. A conflict could arise, for example, under the agreement between the United States and Italy, if an Italian national is sent from Norway to the United States by an Italian employer.

FINAL PROTOCOL	ANNOTATIONS AND COMMENTS
6. A United States national not resident in Norway, employed on an installation for the exploration and exploitation of natural resources on the Norwegian continental shelf, to whom the provisions of Article 5.2 do not apply, and who is subject to United States laws with respect to that employment shall be exempt from Norwegian laws as defined in Article 2.1.b.(i) and remain subject to United States laws.	Employers of persons working on the Norwegian Continental Shelf are required to pay social security contributions to Norway on behalf of all their employees located there, including those who are not residents of Norway and therefore not covered under Norwegian laws. As a result, U.S. employers who employ U.S. nationals on the Norwegian Continental Shelf must pay social security taxes to both the United States and Norway for these employees. Although Article 5.2 in conjunction with Article 5.3 would remove this dual tax liability in most cases, these provisions would not apply to U.S. nationals who are not residents of Norway but who are hired locally to work on the Continental Shelf by their U.S. employers. Paragraph 6 is therefore intended to eliminate the obligation of the involved U.S. employers to make contributions to Norway on behalf of such persons.
7. After the entry into force of this Agreement, the provisions of the second paragraph of Section 1-3 of the Norwegian National Insurance Act concerning exemptions from the National Insurance Scheme shall no longer be applied to persons to whom this Agreement is applicable.	Section 1-3 of the National Insurance Act authorizes the Norwegian Government to grant special exemptions from Norwegian social security coverage in the case of foreign nationals employed temporarily in Norway, provided they are covered under the social security system of another country. Once this Agreement becomes effective, it will no longer be necessary for Norway to grant these special exemptions to U.S. nationals and other persons to whom this Agreement applies since their coverage will be governed by the rules set forth in Article 5 and this Final Protocol. Section 1-3 will, therefore, not apply to such persons.
8. With respect to Article 5.6, a vessel which flies the flag of the United States is one defined as an American vessel under the laws of the United States.	International agreements frequently refer to the flag of a ship or vessel as a convenient means of identifying its nationality. Paragraph 8 makes it clear that for the purpose of Article 5.6, a ship is considered to fly the flag of the United States if it is an American vessel as defined in section 210(c) of the Social Security Act.

FINAL PROTOCOL	ANNOTATIONS AND COMMENTS
9. This Agreement does not affect the right of Norwegian nationals who are resident or present in the United States to apply for voluntary insurance under the National Insurance Scheme of Norway.	Under Norwegian law it is possible for Norwegian nationals to acquire additional coverage by making voluntary contributions to the Norwegian National Insurance Scheme. Paragraph 9 states that Norwegian nationals will retain this option after the Agreement takes effect.
10. Provisions of Norwegian laws limiting retroactivity of the right to benefits shall not apply to rights arising under Article 7, provided that the claimant submits an application for benefits within one year after the date of entry into force of this Agreement.	Norwegian law permits a person to receive retroactive benefits for up to 3 months preceding the date an application is filed. Paragraph 10 extends the retroactive effect of applications for Norwegian benefits filed under the Agreement, permitting persons who file within a year after the Agreement becomes effective to receive benefits from the date the Agreement takes effect.
11. Funeral grants under Norwegian laws shall be payable in respect of persons who were subject to Norwegian laws at the time of their death.	Paragraph 11 provides for the payment of Norwegian funeral grants on behalf of persons who are subject to Norwegian laws at the time of death, regardless of residence. This permits payment of Norwegian funeral grants for persons who were present in the United States at the time of death but who were covered by Norway under the terms of the Agreement.
12. Nothing in this Agreement shall supersede the exchange of notes between the Norwegian Foreign Ministry and the Ambassador of the United States of America in Oslo on June 26, 1968, concerning old-age, survivors and disability benefits.	The June 26, 1968 exchange of notes between the United States and Norway concerning reciprocal payment of certain social security benefits guarantees that U.S. nationals who are entitled to Norwegian benefits will receive them regardless of where they reside. Paragraph 12 provides that the guarantees contained in the 1968 notes will remain in effect.
13. Article 4 of the Agreement shall be applied by the United States in a manner consistent with Section 233(c)(4) of the United States Social Security Act.	Section 233(c)(1) and (2) of the Social Security Act specifies certain benefit and coverage provisions which either must be or may be included in U.S. international social security agreements. In addition, section 233(c)(4) permits agreements to contain other unspecified provisions which are not inconsistent with the provisions of title II of the Social Security Act. Paragraph 13 of the Final Protocol is intended to make clear that where the only authority for the equality of treatment provisions of Article 4 of the Agreement is section 233(c)(4), these provisions will be applied by the United States only to the extent they do not conflict with other provisions of title II of the Social Security Act.

FINAL PROTOCOL

Done at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

For the Government of the United States of America:	For the Government of the Kingdom of Norway:
(signed)	(signed)
Richard S. Schweiker	Knut Hedemann

ANNOTATIONS AND COMMENTS

ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY OF January 13, 1983

In conformity with Article 8(a) of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, hereinafter referred to as "the Agreement," the following provisions have been agreed upon:

Chapter 1

General Provisions

Article 1

Terms used in this Administrative Agreement shall have the same meaning as in the Agreement.

Article 1 provides that terms used in both the Agreement and this Administrative Agreement, whether defined in the Agreement or not, shall have the same meaning as in the Agreement.

Article 2

The liaison agencies designated in Article 9.2 of the Agreement shall agree upon joint procedures and forms necessary for the implementation of the Agreement and this Administrative Agreement.

Article 2 authorizes and requires the liaison agencies of the United States and Norway to agree upon those procedures and forms which must be prepared jointly for the implementation of the Agreement and Administrative Agreement. In accordance with Article 9.2 of the Agreement, the liaison agency for the United States is the Social Security Administration, and the liaison agency for Norway is the National Insurance Institute.

December 13, 1982

ADMINISTRATIVE AGREEMENT

ANNOTATIONS AND COMMENTS

Chapter 2

Provisions on Coverage

Article 3

1. Where the laws of a Contracting State are applicable in accordance with Article 5 of the Agreement, the agency of that Contracting State shall issue upon request of the employer, employee or self-employed person a certificate stating that the concerned employee or self-employed person is covered by those laws. The certificate shall be proof that the employee or self-employed person is exempt from the laws on compulsory coverage of the other Contracting State.

Article 3 establishes procedures pursuant to Article 5 of the Agreement for the elimination of dual social security coverage and taxation of the same work under the systems of both the United States and Norway.

Under paragraphs 1 and 2, the agency of the country whose social security coverage laws will continue to apply to a person will issue a certificate to that effect when requested to do so by a worker, the worker's employer or a self-employed person. When presented to the appropriate agency of the other country, the certificate will establish the basis for the exemption of the person from the coverage laws of that country. Retroactive recovery of U.S. contributions paid with respect to services for which a coverage exemption has been in effect would be subject to the time limitations for refunds of taxes in the Internal Revenue Code.

2. The certificate referred to in paragraph 1 shall be issued

   -- In the United States:

      By the Social Security Administration

   -- In Norway:

      By the local National Insurance Office where the person resides in the cases mentioned in Article 5.1 and 5.4, and by the National Insurance Office for Social Insurance Abroad in the cases mentioned in Article 5.2, 5.3, 5.5 and 5.6.

ANNEX C
REPORT TO CONGRESS
ON THE FINANCIAL EFFECT OF THE
U.S.-NORWAY SOCIAL SECURITY AGREEMENT

This report presents estimates of benefit costs and reduction in contribution income resulting from the proposed totalization agreement with Norway. The estimates are based on the assumption that the agreement will become effective October 1, 1983.

Additional OASDI benefit payments in fiscal year 1984, over and above payments under present law, are estimated to total $100,000. These additional payments will be made to persons who are not now eligible for OASDI benefit payments but who would become immediately eligible for such benefits under the totalization agreement. Data from the Immigration and Naturalization Service Annual Reports were used as a basis for the following estimates of the number of persons living in the United States who would become immediately eligible for a totalized OASDI benefit:

Total	130
Retired or disabled	80
Dependents and survivors	50

Because of a lack of detailed information about the number of Americans emigrating to Norway, it is difficult to make a reliable estimate of the number of persons living in Norway who would become eligible for OASDI benefit payments because of the agreement. In estimating additional OASDI benefit payments, it was assumed that the number of persons living in Norway who would become eligible for a United States benefit is negligible.

Since an individual can qualify for benefits under the Norwegian system with a minimum of 3 years of Norwegian coverage, it was assumed that the number of persons not now eligible for Norwegian benefits who would become eligible for such benefits as a result of the totalization agreement is negligible.

A summary of the estimated effect of the proposed totalization agreement with Norway on benefit payments and tax contributions in fiscal year 1984 is shown below (in millions):

1. Additional benefit payments from U.S. system	(1/)
2. Reduction in tax contribution income to the U.S. system	$3
3. Total effect on U.S. system	3
4. Additional benefit payments from Norway	(1/)
5. Reduction in tax contributions paid by U.S. employees and employers to Norway	12
6. Net effect on U.S. balance of payments 2/	+9

1/ Less than $500,000.

2/ Represents net total of lines 4 and 5 less line 3.

The ongoing number of persons becoming eligible for OASDI benefits as a result of the agreement is estimated to be 25 per year.

About 500 employees and their employers in the United States would no longer make tax contributions to the OASDI and HI Trust Funds as a result of the agreement.

Approximately 1,000 United States employees and their employers in Norway would no longer be required to pay Norwegian social security taxes.

ANNEX D

THE SOCIAL SECURITY SYSTEM OF NORWAY

I. Introduction

The social security system of Norway encompasses a wide range of programs including:

- o old-age pensions
- o disability benefits
- o survivors benefits
- o rehabilitation assistance
- o health insurance
- o unemployment insurance
- o occupational injury insurance

Old-age, survivors and disability (OASDI) benefits are paid on the basis of a two-tier structure: a universal flat-rate "basic" pension and an employment-related "supplementary" pension. Both the basic and supplementary pensions are determined in relation to a basic amount. The basic amount, which was 21,200 kroner (Nkr) in September 1982 (approximately $3,000), is adjusted each year to take account of changes in the general income level and the cost of living. The various OASDI benefits which are based on the basic amount are automatically adjusted whenever the basic amount is changed. The current National Insurance law was enacted in 1966 and became effective on January 1, 1967.

II. Organization and Administration

The National Insurance Scheme is under the jurisdiction of the Ministry of Social Affairs and is administered centrally by the National Insurance Institution. Nineteen county committees — and their secretariats — carry out administrative duties at the regional level. A total of 451 local insurance officers are located in municipalities throughout the country.

The National Insurance Institution is directed by a Board composed of an Insurance Director and six other members who are appointed by the King for a period of 4 years. The National Insurance Institution supervises the county committees, the secretariats, and the local insurance offices.

ADMINISTRATIVE AGREEMENT

Chapter 3

Provisions on Benefits

Article 4

1. The agency of the Contracting State with which an application for benefits is first filed in accordance with Article 12 of the Agreement shall inform the agency of the other Contracting State of this fact without delay, using forms established for this purpose. It shall also transmit documents and such other available information as may be necessary for the agency of the other Contracting State to establish the right of the applicant to benefits according to the provisions of Part IV of the Agreement. In the case of an application for disability benefits it shall, in particular, transmit all relevant medical evidence in its possession concerning the disability of the applicant.

2. The agency of a Contracting State which receives an application filed with an agency of the other Contracting State shall without delay provide the agency of the other Contracting State with such evidence and other available information as may be required to complete action on the claim.

3. The agency of the Contracting State with which an application for benefits has been filed shall verify the accuracy of the information pertaining to the applicant and his family members. The types of information to be verified shall be agreed upon by the agencies..

ANNOTATIONS AND COMMENTS

Paragraphs 1 and 2 outline the procedures to be followed by both countries for the exchange of pertinent information needed to process claims filed under the Agreement.

Both U.S. and Norwegian laws require that certain information about individuals claiming benefits be verified (e.g., age and family relationship to the worker) before the claim can be approved. Article 4.3 provides that when a claim for benefits under the Agreement is filed in one country, the agency of that country will verify the relevant information and inform the agency of the other country of its findings. The purpose of this provision is to expedite the claims process by avoiding the duplication of effort which would result if the agencies of both countries were required to verify the same information. Although an agency may accept the findings of the other agency concerning the accuracy of information, it may at its discretion request documentary evidence to support those findings.

ADMINISTRATIVE AGREEMENT

Article 5

In the application of Article 6 of the Agreement, the Norwegian liaison agency shall notify the United States liaison agency of the years in which a person is credited with pension points under Norwegian laws and, if necessary, the person's creditable earnings in any such year.

Article 6

In the application of Article 7 of the Agreement, the United States liaison agency shall notify the Norwegian liaison agency of the periods of coverage completed under United States laws.

ANNOTATIONS AND COMMENTS

Under Article 5, if totalization is necessary to establish a person's right to U.S. benefits in accordance with Article 6 of the Agreement, the Norwegian liaison agency will furnish the U.S. liaison agency a record showing the number of years of coverage the person has earned under the Norwegian system.

Although Article 5 also authorizes Norway to furnish earnings information to the U.S. for the purpose of computing totalization benefit amounts, this may not be necessary. Article 6.4 of the Agreement (as in earlier bilateral social security agreements concluded by the United States) would provide that the Social Security Administration take into account the dollar equivalent of the Norwegian earnings in computing the U.S. totalization benefit. However, Article 6.6 permits an alternative method of computing U.S. benefits which, if adopted in HHS regulations, would eliminate the need for Norwegian earnings information. (See annotations to Article 6.6.)

Article 6 provides that where totalization is necessary to establish a person's right to Norwegian benefits in accordance with Article 7 of the Agreement, the Social Security Administration will furnish the Norwegian liaison agency a record showing the number of quarters of coverage the person has earned under the U.S. system. In determining eligibility for Norwegian benefits under Article 7.1.(b) of the Agreement, Norway will credit one pension point year for every four U.S. quarters of coverage to the extent the U.S. quarters do not fall within a year already credited as a pension point year in Norway.

ADMINISTRATIVE AGREEMENT

Chapter 4

Miscellaneous Provisions

Article 7

In accordance with measures to be agreed upon pursuant to Article 2 of this Administrative Agreement, the agency of one Contracting State shall, upon request of the agency of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement or the laws specified in Article 2.1 of the Agreement.

Article 8

Copies of documents which are certified as true and exact copies by the agency of one Contracting State shall be accepted as true and exact copies by the agency of the other Contracting State, without further certification. The agency of each Contracting State shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Article 9

The liaison agencies of the two Contracting States shall exchange statistics on the payments made to beneficiaries under the Agreement for each calendar year in a form to be agreed upon. The data shall include the number of beneficiaries and the total amount of benefits, by type of benefit.

ANNOTATIONS AND COMMENTS

Article 7 provides that the agency of one country may upon request furnish claims-related information to the agency of the other country in accordance with agreed upon procedures. Such procedures will be agreed upon by the liaison agencies and will be consistent with the governing statutes of both countries.

If the agency of one country certifies that a copy of a document it furnishes to the agency of the other country is a true and exact copy of an original document, the other country will accept this certification. The agency of each country will remain the final judge of the probative value of documents submitted to it from whatever source.

Article 9 provides for an exchange of statistics concerning the number of beneficiaries and the types and amounts of benefits paid under the Agreement.

ADMINISTRATIVE AGREEMENT

Article 10

1. Where administrative assistance is requested under Article 9 of the Agreement, expenses other than regular personnel and operating costs of the Competent Authorities and agencies providing the assistance shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

2. Where the agency of a Contracting State requires that a claimant or beneficiary submit to a medical examination, such examination, if requested by that agency, shall be arranged by the agency of the other Contracting State in which the claimant or beneficiary resides, in accordance with the rules of the agency making the arrangements and at the expense of the agency which requests the examination. The expenses incurred shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

3. Upon request, the agency of either Contracting State shall furnish without expense to the liaison agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

ANNOTATIONS AND COMMENTS

In accordance with Article 9 of the Agreement, the Competent Authorities and agencies of the two countries will provide each other with such administrative assistance as may be necessary to implement the provisions of the Agreement. Article 10 of the Administrative Agreement specifies the types of assistance which will be provided without cost and the types which will be provided on a reimbursable basis.

Under Article 10.1, expenses incurred in responding to requests for administrative assistance which require an agency to go outside its own organization to provide the assistance, such as hiring interpreters or conducting special field investigations, shall be paid by the requesting agency. Expenses for regular personnel and operating costs will not be reimbursed.

Where a medical examination is necessary to establish eligibility for or continuing entitlement to benefits under one country's system, and the claimant or beneficiary resides in the other country, the agency of the country of residence shall upon request arrange for the examination at the expense of the agency requesting the examination.

Where one agency requests medical information from the other agency, the other agency will send to the requesting agency any pertinent medical information it has in its possession free of charge.

ADMINISTRATIVE AGREEMENT

Article 11

The agency of a Contracting State shall pay any cash benefits due to beneficiaries under the Agreement without recourse to the liaison agency of the other Contracting State.

Article 12

Unless authorized by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

Article 13

This Administrative Agreement shall enter into force on the date of entry into force of the Agreement and shall have the same period of validity.

Done at Washington on 13 January 1983 in duplicate in the English and Norwegian languages, both texts being equally authentic.

For the Government of the United States of America:	For the Government of the Kingdom of Norway:
(signed)	(signed)
Richard S. Schweiker	Knut Hedemann

ANNOTATIONS AND COMMENTS

Article 11 provides that any cash benefits payable by one country to beneficiaries in the other country will not be sent to the liaison agency of the other country for disbursement to the beneficiaries but may be paid directly to them.

Both the United States and Norway have statutes that provide strict safeguards for maintaining the confidentiality of information pertaining to individuals which is in the possession of their respective Governments. In the United States these statutes include the Freedom of Information Act, the Privacy Act, the Tax Reform Act of 1976, the Government in the Sunshine Act, and pertinent provisions of the Social Security Act and other related statutes. Article 12 provides that personal information pertaining to an individual which one country furnishes to the other under the Agreement will be protected in accordance with the applicable provisions of the other country's privacy and confidentiality laws.

The Administrative Agreement will enter into force on the same date as the Agreement and will remain in effect for the same period as the Agreement.

III. Coverage

A. In Norway

1. In general, all persons domiciled in Norway, regardless of their citizenship, are covered by the National Insurance Scheme.

2. People who are not domiciled in Norway, but who are paid employees there, are also covered.

3. Under certain conditions, Norwegian residents (regardless of citizenship) who are not covered compulsorily may be covered voluntarily.

B. Outside Norway

1. Norwegian citizens working on Norwegian ships, vessels, or aircraft in international transportation or commerce are covered regardless of their place of residence. Resident alien seamen employed on board Norwegian ships are also covered.

2. Norwegian citizens working abroad as Government employees or employed abroad by Norwegian Government employees are covered.

3. Coverage usually terminates after an insured person is abroad for 6 months. Coverage terminates sooner if:

   a. the person is hired to work while abroad, or
   b. the person is employed on a foreign ship.

4. Voluntary coverage is available under certain circumstances for Norwegians residing abroad.

C. Coverage Exclusions

1. Foreign citizens who are employees of foreign governments or international organizations in Norway are not covered, nor are their personal or domestic employees.

2. The spouses and children of persons described in category 1 are also excluded unless they are Norwegian citizens or working in Norway.

3. People insured under foreign law may be excepted from Norwegian coverage under special rules.

IV. Contributions

The National Insurance Scheme is financed by contributions from employees, self-employed persons, employers, and the national government. Collection of contributions is the responsibility of the taxation authorities, who also determine the pensionable income (the earnings that are creditable for benefit purposes) of individuals for each year. The National Insurance Institution is responsible for collecting contributions from certain groups. Contributions are used to pay behefits under OASDI, sickness, maternity, occupational injury, and unemployment programs.

An insured person's pensionable income for contribution and benefit computation purposes is determined for each year beginning with the year he reaches age 17 up to and including the year in which he reaches age 69. In general, pensionable income includes:

- o wages and other remuneration for work in public and private service including fees, shares in profits, commissions, service charges, tips, and similar payments.
- o other earned income such as remuneration in cash or kind for work done outside the employment relationship.
- o any income derived from self-employment on condition that the self-employed person, whether a sole proprietor or partner, takes part in the operation of the business.

Contributions are required on annual earnings from Nkr 9,000 (effective in 1978) up to 12 times the basic amount. Pensionable income, therefore, is limited to 12 times the basic amount. Any part of the pensionable income in excess of eight times the basic amount is counted at only one-third of its value in computing benefits. Where both a husband and wife have a pensionable income, these maximum limits apply separately to each of them. Contribution rates are as follows:

A. Employees:

5.3 percent of pensionable income plus
4.4 percent of net income as assessed for national income tax 1/

1/ The contributions on net income are earmarked for the sickness insurance program and are not subject to any age limit. The contribution rate is applied to net income less deductions allowed for municipal tax purposes.

B. Self-Employed

10.2 percent of pensionable income plus
4.4 percent of net income

C. Employer

16.8 percent of wages and salaries including sums in excess of twelve times the basic amount [2/]

D. National Government

4.0 percent of pensionable income

V. Benefits

A. Old-Age Pensions

An old-age pension consists of two parts, a basic (universal) pension and a supplementary (earnings-related) pension.

1. Basic Old-Age Pension

a. Eligibility Requirements:

The basic pension is payable to any person age 67 or older who has a pension earning period [3/] of at least 3 years. Years of Norwegian domicile or years with earnings credited under the supplementary pension scheme are included in the pension earning period.

(1) An old-age pensioner having a dependent spouse not entitled to a pension under the National Insurance Act is paid a spouse's allowance equal to 50 percent of his basic pension.

(2) An old-age pensioner with dependent children under the age of 18 is paid a children's allowance equal to 25 percent of the basic amount (not basic pension). Where both spouses receive a pension, the children's allowance is paid to only one of them.

2/ Lower contribution rates (14.6%, 12.6%, and 8.6%) are payable in some geographical areas depending on the municipality of the employee.

3/ The "pension earning period" serves as a basis for calculating the basic pension. It is the period of time during which a person has been insured according to the National Insurance Act beginning with the year he reaches age 17 and extending through his 66th year. The 67th, 68th, and 69th years are also included in the pension earning period if a supplementary pension is earned during those years. Note: If the insured person is domiciled in Norway at the time he files for benefits, periods of residence in Norway before January 1, 1967, are counted in the pension earning period. Further, if an insured event occurs before age 67, e.g., death or disability, the intervening period of time is included in the pension earning period.

b. Benefit Amount:

A full basic pension consists of:

(1) The basic amount if the pensioner is single or has a spouse who is not entitled to an old-age or disability pension.

(2) 75 percent of the basic amount if the pensioner has a spouse who draws an old-age or disability pension. (Spouses who live separately are treated as single pensioners.)

A full basic pension is payable to a person who has been insured (domiciled in Norway or credited with earnings under the supplementary scheme) for at least 40 years. People who have been insured for less than 40 years receive a proportionate amount of the full basic pension.

2. Supplementary Old-Age Pension

a. Eligibility Requirements:

To be entitled to a supplementary pension, a person must have reached the age of 67 and had an annual earned income of more than the basic amount for at least 3 years after 1966.

b. Benefit Amount:

The amount of the supplementary pension depends on two factors:

(1) The number of pension-earning years (years in which the beneficiary had earned income in excess of the basic amount) and

(2) The amount of pensionable income (income credited in the pension-earning years).

In calculating the supplementary pension amount, each pension-earning year is assigned a pension point value based on the amount of pensionable income credited for that year. The pension point value merely expresses the relationship between a person's pensionable income in any given year and the basic amount for that year. For pensionable income which does not exceed eight times the basic amount (Nkr. 170,000 in 1982) the pension points are calculated as follows:

First, the basic amount for a year is deducted from the pensionable income for that year. The remainder is then divided by the basic amount, the result being the number of pension points for that year.

EXAMPLE

Pensionable Income	(1982)	85,000	
Less the Basic Amount	(1982)	21,200	
		63,800	÷ 21,200
		= 3.01	

Thus for 1982, the person has credit for 3.01 pension points.

After the pension point value for each pension-earning year is determined, an average value, called the final pension point, is calculated based on the 20 years of highest pension points. If a claimant has credit for pension points in less than 20 years, the final pension point is the average of all the pension points with which he has been credited. It should be noted that, in calculating pension points, income in excess of twelve times the basic amount is disregarded. Also, only one-third of income between eight and twelve times the basic amount is counted.

A full supplementary pension is equal to 45 percent of the basic amount multiplied by the final pension point. To be entitled to a full supplementary pension, a person must have pension points in at least 40 years. If he has less than 40, the supplementary pension is reduced proportionally. Only years after 1966 may be credited with pension points, however, during a transition period, Norwegian nationals aged 31-49 on January 1, 1967, receive a full supplementary pension if they have pension points in every year after 1966 up through the year they reach age 69. Norwegian nationals age 50 or over on January 1, 1967, must have pension points in 20 years in order to receive a full supplementary pension. This transitional provision applies only to earned income which does not exceed five times the basic amount.

3. Earnings Limitation

An earnings limitation applies to pensioners between ages 67 and 70. The pension plus earned income may not exceed 80 percent of previous earned income. Special regulations apply to people who previously had low incomes. There is no limit imposed on earnings after age 70.

4. Credit for Pension Deferral

People age 67-70 can elect to receive a partial pension equal to ¼, ½, or 3/4 of their full pension. When the person later chooses to receive the full pension (at age 70 at the latest), the pension is increased by 9 percent of the deferred pension amount for each year of deferral.

B. Disability Benefits

1. A basic grant of 15 percent to 50 percent of the basic amount can be paid to disabled persons who incur heavy expenses because of their impairment. The percentage depends on the level and type of expenses incurred.

2. An assistance grant of 25 percent of the basic amount can be paid to disabled persons who need special attention, nursing or domestic help.

3. Disability Pension

Disability Requirement:

To be eligible for a disability pension, a person must have suffered at least a 50 percent reduction in working capacity due to illness, injury, or handicap after receiving appropriate forms of medical treatment and rehabilitation. In cases of partial disability (less than 2/3 reduction in work capacity) the claimant's basic and supplementary disability pension amount is proportionate to the degree of disability.

Residence Requirement:

To be eligible for a disability-related benefit, a non-Norwegian national must be domiciled in Norway.

a. Basic Disability Pension

(1) Eligibility Requirements:

The basic pension is payable to a disabled person between the ages of 16 and 67 who has a total insurance period of at least 3 years immediately prior to his application for benefits (or in certain cases 1 year).

(a) A spouse's supplement is payable to a disability pensioner if he is supporting a spouse over 60 years old. The amount of the supplement is 50 percent of the basic pension, except that it is reduced in cases of partial disability.

(b) A child's supplement is payable to a disability pensioner supporting one or more children under age 18. The supplemental amount is 25 percent of the basic amount for each child, and is reduced in the case of partial disability.

(2) Benefit Amount

The basic pension is calculated in the same manner as the basic old-age pension. Like the basic old-age pension, the disability pension is reduced if the claimant is insured for less than 40 years; however, the period from disability onset up to age 67 is included in the length of the insurance period.

b. Supplementary Disability Pension

(1) Eligibility Requirements:

The supplementary pension is payable to people who became disabled after 1966, and had an annual earned income of more than the basic amount for at least 3 years after 1966.

(2) Benefit Amount:

Like the supplementary old-age pension, the amount of the supplementary disability pension depends on both:

- o the number of pension-earning years, and
- o the amount of earned income credited in the pension-earning years.

The benefit amount is calculated in the same manner except that the average pension points for years before disablement are assigned to years between disablement and age 67. Because a claimant receives pension points for the period between disablement and retirement age, a disability pension will normally equal the old-age pension the person would have received if he had continued working and his earned income remained unchanged in relation to the basic amount.

C. Survivors Pensions

1. Basic Survivors Pension

a. Eligibility Requirements:

The basic pension is payable to a widow or widower if either the deceased or the surviving spouse is credited with an insurance period of at least 3 years. In addition, the surviving spouse must be caring for the deceased spouse's children or must have been married to the deceased spouse for at least 5 years, or there must have been children borne of the marriage.

b. Benefit Amount:

A full basic survivors pension is equal to the basic amount if the deceased spouse had an insurance period of 40 years or more (including attributed years from death to the year age 67 would have been attained). If the insurance period of the surviving spouse (attributing years up to age 67) is longer, the surviving spouse's record is used as the basis for computing the pension. A basic pension computed on the basis of an insurance period of less than 40 years is reduced proportionately.

The surviving spouse's basic pension is subject to a means test if the beneficiary's income exceeds one-half the basic pension. The pension is reduced by 40 percent of any income in excess of one-half of the basic amount.

2. Survivors Supplementary Pension

a. Eligibility Requirement:

Eligibility requirements are identical to those specified for the basic survivors pension.

b. Benefit Amount

The surviving spouse's supplementary pension is equal to 55 percent of the deceased spouse's supplementary old-age or disability pension or, if the deceased spouse was not receiving a pension, 55 percent of the supplementary old-age pension the deceased spouse would have received had he or she lived to age 67.

3. Child's Benefit

A child's benefit is paid to children under age 18 as follows:

a. If one parent is deceased, the surviving children receive:

- 40 percent of the basic amount for the first child, plus
- 25 percent of the basic amount for each remaining child

b. If both parents are deceased, the surviving children receive:

- 100 percent of the basic and supplementary survivors pension for the first child, plus
- 40 percent of the basic amount for the second child, plus
- 25 percent of the basic amount for each remaining child.

The total pension is divided equally among the children.

D. Recomputations

Any person who has an earned income can accrue pension points during his 67th, 68th, and 69th year. The increase in the supplementary pension attributable to work during these 3 years is payable from age 70.

E. Other Pension Supplements

1. Special Supplement

a. A special supplement is payable to recipients of old-age, disability, or survivors pensions, as well as unmarried persons caring for dependent relatives, and unmarried mothers. The special supplement is granted to persons who are ineligible for a supplementary pension or whose supplementary pension is smaller than the special supplement.

b. The full special supplement (payable with 40 insurance years) is generally equal to 44 percent of the basic amount. Reductions of the basic benefit due to such things as insurance periods of less than 40 years or partial disability are applied to the special supplement. It is further reduced by any supplementary pension.

2. Compensation Supplement

a. The compensation supplement is payable to persons domiciled in Norway who receive old-age, disability, or survivors benefits or rehabilitation allowance or who are unmarried persons caring for dependent relatives.

b. The compensation supplement is intended to offset the effects of the value-added tax imposed in 1970.

c. The full compensation supplement is Nkr 500 a year for a single person or a couple where one spouse is not a pensioner. Nkr. 250 is added for a dependent spouse. An entitled couple receives Nkr. 375 each. The compensation supplement is reduced by 50 percent if a pensioner aged 67-70 draws more than ½ of his pension. It is also reduced for insurance periods of less than 40 years and for expected income in the case of survivors.

VI. Miscellaneous

A. Other Pension Systems

Norwegian law provides for several additional insurance schemes covering fishermen, foresters, reindeer-herding Lapps, etc. Most are integrated with the National Insurance Scheme under the provisions of the Act relating to the Integration of Pensions and Social Insurance Benefits.

B. Benefit Reduction for Foreign Pensions

A benefit under the National Insurance Act is reduced by the amount of any corresponding benefit from a foreign government.

C. International Agreements

Norway has ratified the following international conventions and agreements in the area of social insurance:

1. Social Security Agreements:

   a. UK and Northern Ireland
   b. France
   c. Italy
   d. Switzerland
   e. Yugoslavia
   f. United States (exchange of diplomatic notes on reciprocal benefit payments)
   g. Nordic countries (multilateral agreement)

2 ILO Conventions Numbers:

   2 Unemployment
   42 Worker's Compensation
   102 Minimum standards on social security
   119 Equality of Treatment (equal treatment for citizens and non-citizens in the area of social security
   128 Standards of OASDI
   130 Medical Care and Sickness Benefits

3. United Nations Conventions on

   a. the Status of Stateless Persons
   b. the Status of Refugees and the Protocol to that Convention

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